



Daily Report

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Daily Report

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General

Warren Christopher Urges Support for Russia

OW2203233993 Beijing XINHUA in English
2300 GMT 22 Mar 93

[Text] Washington, March 22 (XINHUA)—U.S. Secretary of State Warren Christopher today urged his countrymen to contribute more to helping Russia and giving the "Russian people not a hand of pity but a hand of partnership."

"The United States has a deep self-interest in responding to this historic challenge," Christopher told the Chicago Council on Foreign Relations in Chicago, Illinois.

While reiterating Washington's support for Russian President Boris Yeltsin on condition that Russia remains a democracy during the period toward a market economy, Christopher noted that U.S. "engagement with the reformers must be for the long haul, whether they're out as well as whether they're in, whether they're down as well as when they're up."

"However difficult things may be in the short run, we should have faith that the strategic course we have set supporting democracy's triumph is the correct one," Christopher said.

He emphasized that Russia remains a democracy moving toward a market economy is "the only basis for U.S.-Russian partnership."

At the White House, President Bill Clinton's spokesman George Stephanopoulos said the President was still preparing for the summit meeting with Yeltsin in Vancouver, Canada, on April 3-4.

There were suggestions earlier that the summit venue move to Moscow, but Stephanopoulos said "we have no indications of any kind that there's a need to move the summit."

However, White House spokeswoman Dee Dee Myers indicated at an earlier briefing that Washington would consider moving the summit to Moscow if Yeltsin requests.

While repeating three pillars of Clinton's foreign policy, namely U.S. economic security, a strengthened defense and support for worldwide democracy, Christopher dwelled his Chicago speech on the development in Russia.

He discouraged people from having "illusions about the situation in Russia, forecasting a "rocky road" ahead.

"Setbacks will be inevitable. Russia's transformation will take a great deal of hard work, probably a generation to complete," the secretary said.

Although falling short of disclosing the specifics of the aid package for Russia Clinton is to announce around

the early April summit, Christopher offered "a few thoughts on the central issue of Western aid to Russia in general terms."

He said the assistance must be better targeted and better coordinated than it's been in the past and must focus on areas and constituencies in Russia that have the greatest impact on their long-term reform.

"Our aid must be felt at the grass roots to ease the pain of the Russian children, workers and senior citizens who are suffering through this transformation," the secretary said.

He also suggested that the West concentrate its efforts on the younger generation in Russia and give technical assistance for professional training of reporters, editors, and news managers.

"By large margins it's the younger generation that expresses the greatest sympathy for democracy...this is the group that will carry the day for Russia's successful transition to democracy," Christopher said.

Russian Foreign Minister Andrey Kozyrev arrives in Washington on Tuesday [23 March] for meetings with Clinton and Christopher, briefing the Americans on Yeltsin's political situation and make further preparation for the U.S.-Russian summit.

Warns Arabs, Israel on Peace

OW2303011893 Beijing Central People's Radio Network in Mandarin 2230 GMT 22 Mar 93

[Report by station's Washington correspondent Wang Guoqing; from the "News and Press Review" program]

[Text] U.S. Secretary of State Christopher yesterday warned Arab countries and Israel that unless the Mideast peace conference resumes next month, the Mideast region will again find itself in chaos caused by war.

U.S. Naval Battlegroup Enters Persian Gulf

OW2203204693 Beijing XINHUA in English
1505 GMT 22 Mar 93

[Text] Cairo, March 22 (XINHUA)—The aircraft carrier USS Nimitz entered the Gulf overnight along with a six-ship battlegroup in a routine deployment, according to reports received here today from Manama, Bahrain.

A U.S. Navy spokesman was quoted as saying that the battlegroup deployment was "in support of our exercise program, conducted with friendly and Gulf countries ... and in support of Operation Southern Watch."

"Operation Southern Watch" refers to the aerial exclusion zone over southern Iraq, imposed by the Western powers in August last year to protect Shi'ite Moslems from attacks by government warplanes.

The nuclear-powered Nimitz replaced the USS Kitty Hawk, which departed last week after nearly three months in the region.

Aircraft carrier battle groups routinely have been deployed in the Gulf since the Gulf war.

The spokesman, Lt. Cmdr. Bruce Cole, said the six-ship battlegroup escorting the Nimitz included cruisers USS Reeves, USS Truxtun and USS Lake Champlain, the destroyer USS Leftwich and the supply ships USS Kansas City and USS Shasta.

The Nimitz battlegroup brought to about 15 the number of U.S. warships deployed in the Gulf and the Arabian and Red Seas.

The warships in the Red Sea are responsible for intercepting ships traveling to and from Jordan's port of Aqaba to make sure that no Iraq-bound forbidden goods are landed.

Cole said since Iraq's invasion of Kuwait in August 1990, 16,441 ships have been checked by radio, 6,516 have been boarded for closer searches and 380 have been turned back because of possibly suspect cargo.

U.S., Russian Nuclear Submarines Collide

*OW2203204493 Beijing XINHUA in English
1824 GMT 22 Mar 93*

[Text] Washington, March 22 (XINHUA)—The Pentagon confirmed today that a U.S. nuclear-powered submarine collided Saturday [20 March] with a Russian Navy submarine and said Washington regrets the incident.

Damage to the U.S. vessel was minimal and no one was injured, the U.S. Department of Defense said in a brief statement.

The USS Grayling, on routine operations in the Barents Sea, accidentally collided with a Russian Navy submarine in around 12:46 a.m. (05:46 GMT) 105 nautical miles (about 195 kilometers) north of the Murman coastal region of the Kola Peninsula, the statement said.

The incident was first reported by the Russian Navy in Moscow.

A Russian Navy spokesman was quoted as saying the Russian vessel only sustained a "small dent."

The U.S. Navy is conducting an investigation, the Pentagon statement said.

Li Peng Praises UN Anti-Apartheid Struggle

*OW2203165093 Beijing XINHUA in English
1632 GMT 22 Mar 93*

[Text] Beijing, March 22 (XINHUA)—Chinese Premier Li Peng today expressed high praise for the United

Nations Special Committee Against Apartheid for its efforts in seeking eradication of racial discrimination.

In a message of solidarity to Ibrahim Agboola Gambari, chairman of the committee, on the occasion of the U.N. International Day for the Elimination of Racial Discrimination, Li spoke of his unremitting efforts in support of the South African people together with the justice-upholding forces of the international community.

"The system of racial discrimination and apartheid in South Africa, which for so long outrageously infringed upon and deprived the vast black population of their basic rights, has met with firm opposition of the South African people and world-wide condemnation," he said.

"Over the past two years, some positive changes have taken place in South Africa, and the South African Government has taken some major reform measures, marking a good beginning for a political settlement," Li said.

"However," he noted, "the apartheid system has yet to be fully eradicated and the black population are still denied their lawful rights."

"We hold that the key to a political settlement of the South African question lies in an early resumption of the constitutional talks and elimination of violent conflicts," he added.

The Chinese premier called for the South African Government to take up the responsibility of putting an end to violent conflicts with a view to creating an atmosphere necessary for the resumption of the democratic process.

Meanwhile, Li also appealed to the international community to continue its effort in urging the South African Government to take earnest steps aimed at accelerating the political settlement of the South African question.

"The Chinese Government and people will, as always, firmly support the South African people in their just struggle against racism and are ready to join the international community in exerting positive efforts for the early establishment of a new South Africa of unity, democracy and racial equality," he said.

Leaders Receive More Messages on Wang Zhen Death

OW2203125793 Beijing XINHUA Domestic Service in Chinese 1437 GMT 20 Mar 93

[Text] Beijing, 20 Mar (XINHUA)—Some Japanese, Russian, and U.S. political party and governmental leaders and notables recently cabled President Yang Shangkun, Premier Li Peng, the CPC Central Committee, the Standing Committee of the National People's Congress [NPC], the State Council, and nongovernmental organizations of China, respectively, to express their profound grief at Vice President Wang Zhen's death.

Cabled condolences from Sadao Yamahana, chairman of the Social Democratic Party of Japan, to the CPC Central Committee reads: "Vice President Wang Zhen had dedicated his life to the construction and development of your party and country, and had also successively served many in important leading posts. He also had assumed the post of honorary president to the China-Japan Friendship Association and made significant contributions to the development of friendly relations between Japan and China. I firmly believe that his achievements will go down in the annals of history."

Cabled condolences from Koshiro Ishida, chairman of Japan's Komeito, to Yang Shangkun said: "During his term of office as vice president of the People's Republic of China, the outstanding contributions of His Excellency Wang Zhen to China's construction and to the maintenance of world peace are well known by the Chinese people and the whole world. As the honorary president of the China-Japan Friendship Association, his magnificent contributions to the promotion of relations between Japan and China, which are separated only by a strip of water, will be carried on from generation to generation."

Cabled condolences from Russian Vice President Aleksandr Rutskoy to the NPC Standing Committee and the State Council stated: "I wish to extend my profound grief at the death of Wang Zhen, vice president of the People's Republic of China and a notable Chinese state affairs activist."

Cabled condolences from Sosuke Uno, former Japanese prime minister and currently member of House of Representatives, to Li Peng said: "His Excellency Wang Zhen's great achievements in developing Japan-China relations during his lifetime are memorable."

Susumu Nikaido, member of the Japanese House of Representatives, also sent a telegram of condolences to Li Peng.

In addition, the China-Japan Friendship Association also received telegrams of condolences from Saburo Toida, former Japanese health and welfare minister and currently member of the House of Representatives; Ryozo Tagawa, governor of Mie Prefecture; and Ken-suke Koga, president of the Nippon Steel Corporation.

Those who sent telegrams of condolences to the China Association for International Friendly Contacts were: Turpin [name as received], former chairman of the U.S.-China Trade Commission and former president to the U.S. Fulu [name as received] Company; Joseph Churpa [name as received], chairman of the U.S. International Security Commission; Mansfield [name as received], executive chairman of the U.S. World Media Council; Yao Jin Yili, president of the Chinese Chamber of Commerce in Honolulu; Nobuyuki Fukuda, chairman of the Japan Association of Professors for World Peace; and Setsuya Tabuchi, chairman of the Sasagawa Peace Foundation.

Central Eurasia

Heilongjiang Officials Meet Russian Military Group

SK2203022593 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 21 Mar 93

[Text] On the afternoon of 19 March, Chen Yunlin and Wang Zongzhang, vice governors of the Heilongjiang provincial government, respectively met with a delegation of the Pacific Border Military Region of the Russian Federation, headed by Lieutenant General (Bagedanov), commander of the region, at Huayuancun Guesthouse.

The delegation visited Heilongjiang Province at the invitation of (Li Yejian), general border security representative of the province and head of provincial frontier headquarters.

At the meeting, Vice Governor Chen Yunlin welcomed the guests. He said: Over the years, the Pacific Border Military Region has made many business contacts with the Heilongjiang provincial frontier headquarters. Both sides have made lots of fruitful contributions to developing economic and trade cooperation between Heilongjiang Province and Maritime Kray.

At talks held on 18 March, the representatives of both sides exchanged opinions and agreed on opening ports, strengthening port management, upgrading efficiency of frontier inspection, and establishing contacts between the Heilongjiang Provincial border security organ of China and the Pacific Border Military Region of the Russian Federation.

Yeltsin Aide Claims Support for 'Special Rule'

OW2203215893 Beijing XINHUA in English
1834 GMT 22 Mar 93

[Text] Moscow, March 22 (XINHUA)—President Boris Yeltsin is receiving increasingly widespread support in the country, said a statement by the Russian president's press secretary today.

"In line with Yeltsin's decree, the Army stays completely away from interference in politics. Although some circles in the Supreme Soviet are bent on involving the military in the confrontation, the Army remains faithful to the law," it said.

It said that "the unanimous support by the world public, governments and political leaders of states" to Yeltsin's decree on a "special rule" confirms that the president's actions are legitimate.

It also said that the Supreme Soviet has failed to draw a response from the population with its "attempt to build up tension by rash and legally unjustified evaluations."

Today's is the third day of confrontation between Yeltsin and the parliament, or the Supreme Soviet, since the

former declared on Saturday a five-week special rule in preparation for the holding of a presidential confidence vote nationwide.

Constitutional Court Investigates 'Special Rule'

OW2203222893 Beijing XINHUA in English 2219
GMT 22 Mar 93

[Text] Moscow, March 22 (XINHUA)—The Russian Constitutional Court failed to draw any conclusion at a meeting today about President Boris Yeltsin's Saturday [20 March] decree to stage a "special rule," because it did not have adequate "materials" about the decree.

The court started an investigation into the legality of the decree at the initiative of Valery Zorkin, the president of the Constitutional Court, who condemned the decree as "unconstitutional." The Supreme Soviet had also asked for such an investigation.

Zorkin was quoted by the ITAR-TASS NEWS AGENCY as saying at the meeting that Yeltsin made a telephone call to the court but refused to provide any details about how the decree was written.

However, he said the investigation had ended and the court was preparing to make a conclusion soon.

Meanwhile, the presidential news secretary's office has described the court's investigation as unconstitutional.

Rules Decree Unconstitutional

OW2303122093 Beijing XINHUA in English 1136
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—The Russian Constitutional Court today ruled that President Boris Yeltsin's March 20 "special rule decree" was unconstitutional, the press service of the court said.

"The introduction of presidential rule violates the federative treaty.... and several articles of the constitution," the six-page text of the court's decision said.

"It posed a real threat to the integrity of the Russian Federation," said the decision.

Meanwhile, the court said that the Russian president would go ahead with a nationwide vote of confidence in his presidency on April 25, INTERFAX NEWS AGENCY reported.

Yeltsin's contention that the vote would decide who should rule the country—he or the parliament—was "inadmissible," the decision said.

Yeltsin said in a televised address on March 20 that he would rule by decree until a referendum was held on April 25 over who should rule Russia.

The court decided that Yeltsin's announcement that "any decision that ran contrary to presidential decrees would not have legal force" in fact "violated the division of powers in the country."

The decision said that rule by decree "limited the powers of the legislative and judiciary, which in turn limited parliamentary control and the powers of the Constitutional Court in defending the constitutional structures of the country."

The Federative Treaty was signed in March last year by all of Russia's constituent republics (except Tatarstan and Chechnya) and autonomous republics. It provides the basis for a new post-Soviet constitution.

Yeltsin Puts News Media Under 'Control'

OW2303102693 Beijing XINHUA in English 1012
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—Russian President Boris Yeltsin, in a decree issued Monday by the Presidential Press Service, put the nation's news media under his control.

Yeltsin warned officials of state bodies and public associations "about the serious responsibility for interference in the activity" and "infringement on the freedom" of news media.

Yeltsin said that the protection of news media freedom was strictly in line with the Russian law on news media, according to reports.

The executive and legislative bodies have also been disputing over the issue of who should control the news media.

Russia's Interior Ministry was authorized to take necessary measures to protect state-run television and radio stations, news agencies, and publishing and printing complexes.

Sources said that Yeltsin's move was aimed at preventing the government-controlled news media from leaning towards the parliament and publishing articles in disfavor of his special rule decree issued on March 20.

Office Says Yeltsin Cannot Be Impeached Yet

OW2303105093 Beijing XINHUA in English 1038
GMT 23 Mar 93

[Text] Moscow, March 23 (XINHUA)—Russian President Boris Yeltsin cannot be impeached under the existing Constitution until a referendum on a new constitution is held, a statement of the Presidential Press Service said today.

The statement came after several legislators and officials spoke of possible immediate impeachment of the Russian president.

The Russian Constitutional Court has announced its ruling that Yeltsin's "special rule decree" is unconstitutional.

Parliament To Hold Emergency Session 23 Mar

*OW2303121893 Beijing XINHUA in English 1134
GMT 23 Mar 93*

[Text] Moscow, March 23 (XINHUA)—The Russian Parliament will hold an emergency session at 4 P.M. (1300 GMT) on Tuesday [23 March], after a Constitutional Court ruling on President Boris Yeltsin's assumption of special powers, a parliamentary spokesman said.

The parliament, dominated by opponents of Yeltsin's radical reforms, met in emergency session on Sunday. It strongly criticized president's declaration of using "special rule" until holding a referendum on April 25 to decide who runs Russia.

The Constitutional Court ruled earlier on Tuesday that Yeltsin had violated the Constitution but stopped short of saying this constituted grounds to launch impeachment proceedings, INTERFAX NEWS AGENCY said.

The Congress is the only body which can launch such proceedings. But a presidential spokesman said earlier on Tuesday that there was no legal basis for this until a constitutional referendum had been held.

Roundup Views 'Mounting Pressure' on Yeltsin

*OW2303094393 Beijing XINHUA in English 0922
GMT 23 Mar 93*

[Roundup by Xin Guoying: "Yeltsin Faces Growing Pressure"]

[Text] Moscow, March 23 (XINHUA)—Russian President Boris Yeltsin faces mounting pressure inside and outside the Kremlin as he pushes ahead with plans to rule the country by decree.

Russia's Constitutional Court decided on Tuesday [23 March] that Yeltsin had violated the Constitution. The court's ruling, which is to be signed later in the day, could lead the parliament to convene a Congress session and impeachment proceedings against Yeltsin, who decided Saturday to rule by decree until a called-for April 25 referendum on who should rule Russia, analysts here said.

As a response to the decision, Yeltsin's spokesman Anatoliy Krasikov said in a statement that an article in the Constitution which allows a president to be sacked will not come into effect until a referendum on a new constitution has been held.

Besides "special rule," the president's televised address on March 20 called for the holding of a referendum on April 25 combining a vote on a new constitution with a vote of confidence in the president and vice-president.

If the vote goes Yeltsin's way, the Congress of People's Deputies, the supreme legislature, would be abolished and there would be new elections to Russia's standing parliament, the Supreme Soviet.

The Congress, which precipitated the current political upheaval by curbing Yeltsin's powers, is the only body that can launch impeachment proceedings against the president.

On Monday, or two days after he declared effective presidential rule, Yeltsin also issued a decree ordering the Interior Ministry to tighten control over the nation's media.

The move was seen as a major step in cementing Yeltsin's position in his current struggle with the parliament and in the planned national confidence vote on April 25, because the television and radio stations and newspapers are a powerful means.

However, the Russian president is being puzzled by a strong opposition from the parliament headed by Ruslan Khasbulatov who described Yeltsin's special-rule-move as a "coup."

The struggle for power between the two sides has to be referred to the country's Constitutional Court which is empowered to settle disputes between branches of power. But Yeltsin and his ministers have all but rejected its authority.

The 13-member court met first on Monday to discuss the legality of Yeltsin's weekend declaration of "special rule"—effective rule by decree.

The court started an investigation into the legality of the decree at the initiative of its President Valeriy Zorkin, who condemned the decree as "unconstitutional." The parliament has also asked for such an investigation.

Zorkin was quoted by the ITAR-TASS NEW AGENCY as saying at the meeting that Yeltsin made a telephone call to the court but refused to provide any details about how the special-rule decree was written.

Moreover, Vice-President Aleksandr Rutskoy said Yeltsin's declaration of rule-by-decree was aimed at hiding his government's blunders.

Rutskoy on Saturday refused to co-sign Yeltsin's decree for assuming special powers. He has publicly attacked the move on television and in the parliament.

"The failure of the leap to the market, shock treatment, the preoccupation of the president's aides with politicking, irresponsibility and licence...in the executive, all that together have brought Russia to the brink of the abyss," he said.

'Special Article' on 'Domestic Political Crisis'

*HK2303032293 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 23 Mar 93 p 6*

[“Special article” by Xiao Lin (5135 2651): “Yeltsin Finally Shows His Hand Against the Parliament”]

[Text] On the evening of 20 March, Russian President Yeltsin announced on television that "direct presidential

rule" would be immediately exercised until 25 April, when a nationwide referendum is to be held. He said that this move was aimed at preventing the parliament from undermining the process of economic reform in Russia and preventing Russia from backtracking to the "period of communist rule."

The results of a recent urgent session of the Russian Congress of People's Deputies prompted Yeltsin to take this "resolute action." At that meeting, the parliament rejected Yeltsin's motion on dividing powers and holding a referendum, thus further weakening his power and status. Yeltsin was deeply aware that he had been more and more tightly constrained by the legislature, and that if he did not immediately take action, he would gradually become a "nominal president" without real power, and his "reform" plan would be foiled halfway through; moreover, he would eventually become "Gorbachev II." It seemed that Yeltsin was trying to remove the stumbling block of the parliament through the referendum so that he might eventually wield full power.

The Western countries' support for Yeltsin also prompted him to take this desperate action. Before he announced his decision, he informed the major Western countries of his plan and received assurances of their support. Recently, some government officials from the Western countries revealed in private that if the process of democracy in Russia was not affected, the West would not oppose Yeltsin's "presidential rule." In his televised speech, Yeltsin stressed that parliament would not be disbanded and that the armed forces would not get involved in the political crisis; he also assured the Russian citizens that their rights would be kept intact. This obviously satisfied the Western requirements. The West maintained that keeping Yeltsin in power would be conducive to stabilizing Russia's situation and would be favorable to Western interests. Therefore, after Yeltsin made the televised speech, leaders of the Western countries expressed support for Yeltsin one after another.

The present situation in Russia is not out of control, but Yeltsin's decision has further deepened the domestic political crisis in Russia. The development of the situation in the coming period will be complicated and confusing. It is unknown whether Yeltsin will actually hold the referendum or whether he will win a majority of votes.

First, the parliament will not obey or accept Yeltsin's decision. At present, the parliament is preparing to impeach Yeltsin for violating the Constitution. The parliament is now primarily using the "legal weapon," while Yeltsin is soliciting support from the citizenry. The struggle between the two sides will be a round of confrontations and seesaw battles.

Second, Yeltsin's political rivals will join hands to work against him. The "Citizen's Alliance," the "National Salvation Front," and the former Communist Party will boycott and resist Yeltsin's "presidential rule" in various forms.

Third, the attitude of the Russian armed forces will be an extremely important factor. At present, the armed forces are no longer very unified, and discontent is growing among the troops. Although the armed forces have not become involved in the current crisis so far, if the situation goes out of control, it will be difficult to imagine that the armed forces would still stand by with folded arms. In addition, without resorting to the armed forces, it will be hard for Yeltsin to effectively exercise "presidential rule," but, if he does resort to the armed forces, the situation will become even more complicated.

Finally, some local leaders in Russia do not support Yeltsin's plan for holding the referendum. It is expected that if the referendum is actually held, voter turnout will be very low in some localities, while, in others, there will be no voting at all. Under such circumstances, whether the final result of the referendum is representative of public wishes or whether it is valid in legal terms will still be extremely controversial.

Northeast Asia

Li Tieying Receives New Japanese Ambassador

OW2303065993 Beijing XINHUA in English 0640
GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—Chinese State Councillor Li Tieying met and had a cordial talk here this morning with new Japanese Ambassador to China Michihiko Kunihiro on the enhancing of bilateral cooperation in the field of education.

Official sources said that Li, also minister in charge of the State Education Commission, will head a Chinese Government educational delegation to visit Japan in mid April.

Kunihiro said the Japanese side is looking forward to Li's forthcoming visit to the country.

Li expressed the hope that during the visit he would meet with Japanese statesmen so as to further increase mutual understanding and promote educational exchanges between the two countries.

Wu Bangguo Urges Japanese Investment in Pudong

OW2203091893 Beijing XINHUA Domestic Service in Chinese 1457 GMT 19 Mar 93

[By reporter Liu Wenyu (0491 2429 3768)]

[Text] Tokyo, 19 Mar (XINHUA)—Wu Bangguo, Shanghai municipal party committee secretary, who is visiting here, today addressed an "Economics Seminar on Shanghai's New Pudong Area," which is sponsored by the Japanese-Chinese Society. He said: Shanghai wholeheartedly welcomes Japanese enterprises to set up businesses in Shanghai and share the huge benefits from rejuvenating Shanghai and developing Pudong.

In giving a briefing on Shanghai's achievements in implementing the policy of reform and opening up, he said: "In opening up to the outside world, Shanghai has always attached importance to bilateral exchange and cooperation with Japan." He said: There has been great progress in Japan's direct investment in Shanghai in recent years. Japan has invested in 378 enterprises in Shanghai and signed agreements for investing close to \$900 million, ranking third in foreign investment in Shanghai.

However, Wu Bangguo also pointed out: The volume of Shanghai-Japan trade and exchange is still far below the real strength of Japanese financial circles. Japan's investment in Shanghai is still behind Hong Kong's, the United States', and the EC's. Japanese business circles possess great potential for investing in Shanghai. Wu Bangguo said: One of the major tasks of my current visit is to further promote economic cooperation and trade between Shanghai and Japan.

Wu Bangguo stressed: "China and Japan, which are separated by a narrow strip of water, have similar Oriental cultures and traditional friendship. Shanghai, located on the coast of the East China Sea, is an even closer neighbor to Japan. This will only help the exchange and cooperation between us."

Noda Takeshi, president of the Japanese-Chinese Society and Shi Yonghai, minister counselor of the Chinese Embassy in Japan, attended the seminar together with over 200 people from various circles in Japan.

At the seminar, Wu Bangguo also answered the participants' questions on Shanghai investments.

Liaoning Vice Governor Meets ROK Businessman
SK2103071993 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 20 Mar 93

[Text] On 20 March Vice Governor Wen Shizhen met with (Han Chae-yun), president of the ROK medium-sized and small enterprise managers' association, at the Liaoning Hotel in Beijing.

Vice Governor Wen Shizhen thanked President (Han Chae-yun) for his great support and cooperation last year when our province held an economic and trade symposium in Seoul. He told President (Han Chae-yun): Our province has cooperated with the ROK in jointly running more than 260 three types of foreign-funded enterprises. The total investment reached \$280 million. Exports to the ROK directly managed by the localities in Liaoning were valued at more than \$200 million. He expressed hope that both sides would continue to strengthen cooperation in fields like electronics, textiles, and light industries as well as the machine industry.

President (Han Chae-yun) said that many Korean investment enterprises in Shenyang were members of his association and that he knew Liaoning's situation very

well. President (Han Chae-yun) told Vice Governor Wen Shizhen that this summer he would organize a number of managers of medium-sized and small enterprises for a trip to Liaoning to investigate the investment environment and to hold talks on cooperative items.

Southeast Asia & Pacific

Further on Vanuatu Prime Minister's Visit

Meets Li Peng 20 March

OW2003151093 Beijing XINHUA in English 1439
GMT 20 Mar 93

[Text] Beijing, March 20 (XINHUA)—Visiting Vanuatu Prime Minister Maxime Carlot Korman and Chinese Premier Li Peng today expressed satisfaction over the "smooth development" of bilateral relations since the establishment of diplomatic relations 11 years ago.

During their talks held here Li noted that the two countries, although differing a lot in area, population, culture and other aspects, are both developing countries and are both striving for economic development.

Li said that the Chinese Government attaches importance to the development of friendly relations and cooperation with Vanuatu and other island nations in the South Pacific, and China has always treated these countries as friends and equals.

Speaking of the economic assistance China has offered to Vanuatu, Li said China abides by these principles in providing economic aid—attaching no political conditions, considering the practical needs of the recipient country, and China's own ability.

Carlot Korman said that the government and people of Vanuatu appreciate the aid China has offered over the past decade, and the Vanuatu government attaches importance to developing friendly relations and cooperation with China.

The prime minister reiterated that Vanuatu will stick to the "one China" policy, saying that his country will not establish official or diplomatic ties with Taiwan.

Chinese sources quoted Carlot Korman as saying that Vanuatu will only maintain purely commercial relations with Taiwan.

Li Peng expressed his appreciation to Carlot Korman over the position of the Vanuatu government and the prime minister.

Carlot Korman arrived here yesterday during a week-long working visit as guest of Li Peng starting from March 16. Before coming to Beijing, he and his party visited Shenzhen and Shanghai.

After the talks, Chinese and Vanuatu officials signed an exchange of notes according to which China is to send a medical team and to donate a number of vehicles to Vanuatu.

Later, Li hosted a dinner in honor of Carlot Korman, his wife and party.

Sees Yang Shangkun, Qian Qichen

OW2203125593 Beijing XINHUA in English 1219
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—Chinese President Yang Shangkun and Foreign Minister Qian Qichen met with Vanuatu Prime Minister Maxime Carlot Korman on separate occasions here today.

Carlot Korman is on a one-week working visit to China at the invitation of Chinese Premier Li Peng.

Yang said during the meeting this afternoon that it is of particular importance that the prime minister paid the visit just before the 11th anniversary of the establishment of diplomatic ties, which falls on March 26.

Yang noted that China has always held that all countries are equal and should respect each other. He said the friendly relations of cooperation between China and Vanuatu have been strengthened since the establishment of diplomatic relations.

The president said that the aid China has provided Vanuatu is what China can afford and is without any conditions.

Carlot Korman said he has come to China with the purpose of developing and strengthening bilateral relations, which, the prime minister said, "have no obstacles or dark clouds, but only clear sky and effective cooperation".

He told Yang that Vanuatu is satisfied with its cooperation with China in international affairs and in the United Nations. He added that such cooperation should be enhanced.

At a meeting earlier today, Foreign Minister Qian Qichen said that China attaches importance to its relations with Vanuatu and other South Pacific nations and is ready to develop such relations on the basis of the Five Principles of Peaceful Coexistence.

According to Qian, China has sent representatives in three consecutive years to attend the dialogue after the South Pacific Forum, and China has maintained contacts with South Pacific nations in the United Nations Economic and Social Commission in Asia-Pacific (ESCAP).

Qian said these contacts are beneficial to the development of relations between China and South Pacific countries.

He added that China hopes to develop economic relations and trade with Vanuatu through the joint efforts of the two sides.

Carlot Korman said Vanuatu attaches importance to China's role in international affairs and hopes China will play a bigger role in the South Pacific region.

He noted that Vanuatu will stick to the "One-China" policy, and his country has always regarded Taiwan as a province of the People's Republic.

Carlot Korman and his party are scheduled to conclude the visit and leave Beijing for home tomorrow.

Press Communiqué on Visit

OW2303014493 Beijing XINHUA in English 0116
GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—China and Vanuatu issued here today a press communiqué which said the visit of Vanuatu's Prime Minister Maxime Carlot Korman to China was a "complete success".

The Vanuatu prime minister paid a working visit to China from March 16 to 23 at the invitation of Chinese Premier Li Peng. Carlot and his entourage visited Shenzhen, Shanghai and Beijing.

Chinese President Yang Shangkun, Premier Li Peng and State Councillor and Foreign Minister Qian Qichen met with Carlot on separate occasions.

The communiqué said that the two sides, in an amicable atmosphere, exchanged views on bilateral relations, regional cooperation and international issues of mutual interest and reached extensive agreement.

The leaders of the two countries expressed their satisfaction with the development of bilateral relations since the establishment of diplomatic ties between China and Vanuatu 11 years ago, the communiqué said.

To further consolidate and develop friendly relations and cooperation between them on the basis of the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence, would accord with the interests and wish of the two peoples and contribute to the peace and stability in the Asia-Pacific region and in the world at large. The two sides expressed their readiness to make further efforts to this end, according to the communiqué.

The leaders of the two sides were of the view that cooperation in the economic, technical and cultural fields constituted an important component of the bilateral relations, it said.

The communiqué said that the two countries will work together and conduct a multi-form cooperation in more areas. It added that the Vanuatu side expressed its

thanks to China for the economic and technological aid it provided Vanuatu since the establishment of diplomatic relations.

The Chinese side indicated that it would continue to support, as far as possible, the Vanuatu Government in its efforts for the development of its national economy. The two sides also explored the ways and means of mutually beneficial cooperation in trade and economic and technological fields.

On the afternoon of March 20, the two sides signed in Beijing the exchanged notes on the materials to be given and a medical team to be dispatched by China to Vanuatu.

As for the project of a law center at the South Pacific University in which Vanuatu has requested China's assistance, the Chinese side asked Vanuatu to provide necessary technical data to the Chinese side for study, the communique said.

The two sides reaffirmed that they would scrupulously observe the principles enshrined in the communique on the establishment of diplomatic relations between the two countries and work for further development of the existing friendly relations and cooperation between them, the communique noted.

According to the communique, Prime Minister Carlot Korman invited Premier Li Peng to pay a visit to Vanuatu at a time convenient to him, and Li accepted the invitation. The date of the visit will be fixed through diplomatic channels, it added.

Near East & South Asia

Yang Shangkun, Li Peng Cable Pakistani Leaders
BK2303100893 Beijing China Radio International in Urdu 1600 GMT 23 Mar 93

[Text] President Yang Shangkun and Premier Li Peng of China sent congratulatory messages to Pakistani President Ghulam Ishaq Khan and Prime Minister Nawaz Sharif on the occasion of Pakistan's National Day. In his message, President Yang Shangkun said: I, on behalf of the people of China and myself, extend warm greetings to you and through you to the Pakistani people on the occasion of the National Day of the Islamic Republic of Pakistan. The people of Pakistan have achieved significant success in the development and progress of their country during the last year. We sincerely wish further development of our friendly country. China and Pakistan are close neighbors and friends. Cooperation between them in various fields is expanding day by day. We wish prosperity to your country and its people.

In his message, Premier Li Peng said that the people and the government of Pakistan during the last year have made positive efforts and contributions toward the protection of global as well as regional peace and stability. Prime Minister Nawaz Sharif's visit to the PRC last year

greatly helped in strengthening relations between the countries. I believe that as a result of the joint efforts by the two sides, the friendly cooperative relations between China and Pakistan will further strengthen and develop.

Pakistani, Xinjiang Officials Discuss Trade

OW2103172093 Beijing XINHUA in English 1650
GMT 21 Mar 93

[Text] Islamabad, March 21 (XINHUA)—Pakistan and China agreed to establish air link between Islamabad, capital of Pakistan, and Urumqi, provincial capital of China's Xinjiang Uygur Autonomous Region.

The agreement was reached between Pakistan Federal Minister for Finance and Economic Affairs Sartaj Aziz and visiting Vice Governor of Xinjiang Uygur Autonomous Region Li Donghui during their talks here today.

The two sides also agreed to improve the existing road link between Gilgit of Pakistan and Kashgar of Xinjiang to facilitate the trade through northern areas of Pakistan and the Xinjiang region.

They discussed various measures to develop the transport system in order to promote the economic cooperation between Pakistan and China, particularly the Xinjiang region.

The two sides also discussed other ways and means to promote the bilateral trade between the two countries and it was agreed that the trading companies of Xinjiang would set up their offices in various cities of Pakistan.

Li Donghui invited Sartaj Aziz to visit Xinjiang on the occasion of international trade fair to be held in Urumqi this year.

Pakistan has decided to participate in the fair.

Li Dong Hui arrived in Pakistan on Friday [19 March] on a six-day visit.

Pakistani-Chinese K-8 Jet Trainer Makes Debut

OW2203165493 Beijing XINHUA in English 1600
GMT 22 Mar 93

[Text] Islamabad, March 22 (XINHUA)—The Karakorum-8 (K-8) jet trainer aircraft jointly manufactured by China and Pakistan made an impressive landing at Kamra Airfield after flying over the Karakorum range and will be displayed Tuesday [23 March] on Pakistan Day, the defense production minister said today.

At a press briefing, Minister Mir Hazar Khan Bijarani announced that by the end of 1994, K-8 will roll out from the final assembly line being set up at Kamra with locally fabricated parts.

The input to the assembly line of locally produced parts will gradually increase the intention to achieve the capability to manufacture the complete structure of K-8 by 1998, he said.

The K-8 jet trainer is capable of providing basic and advanced training including night flying, instrument flying, formation flying, aerobatics, spin and spin recovery, air-to-air and air-to-ground weapon delivery training, according to the defense production minister.

He said the K-8 jet aircraft has already attracted the attention of numerous potential customers evaluating various weapon systems available in the international trainers aviation market.

The aircraft was flown from China by two Pakistan Air Force pilots and landed at Kamra on March 19 this year.

The minister said the successful completion of the K-8 joint venture project will take Pakistan a step ahead in progress towards establishing an indigenous aviation industry capable of meeting the strenuous requirements of the future.

The joint venture, initiated in August 1986, signified the eternal bands of friendship between the two countries and was symbolic of the excellent understanding between Pakistan and China in the field of aviation.

Police Arrest 3 Nepalese for Narcotics Trafficking

OW2203102693 Beijing XINHUA in English 0914
GMT 22 Mar 93

[Text] Kunming, March 22 (XINHUA)—Three Nepalese nationals have been arrested by the Chengdu railway transport procuratorate and charged with narcotics trafficking.

Sherpa Nuri hid 1,770 grams heroin on his body and was caught by the police when he was trying to take a train at the Kunming railway station in southwest China's Yunnan Province on February 4.

The other two smugglers, Gurung Kumar Prasad and Lembo Saniang, were caught in Kunming on February 2 for carrying narcotics into China.

Saudi Arabia Bids To Build Refinery in Qingdao

HK2203094093 Hong Kong TA KUNG PAO in Chinese
16 Mar 93 p 4

[“Special dispatch”: “China Negotiates With a Saudi Arabian Oil Company on Building a Large Oil Refinery in Qingdao”]

[Text] Qingdao, 15 Mar (TA KUNG PAO)—The China Petrochemical Corporation is negotiating with a Saudi Arabian oil company on cooperating in the construction of a large oil refinery in Qingdao. Zeng Chongming, director of the Management Committee of the Qingdao City Economic and Technological Development Zone, said that after completion the oil refinery will produce 15 million metric tons of oil a year. It will be located in Mingdashitou of the development zone, covering an area of 10 square km. The first-phase construction project

alone will require an investment of \$2.4 billion. Commercial negotiations are still under way.

Zeng indicated that to make good preparations for this project, the management committee has provided land and a sea bed to coordinate with the project, and the construction of a dike to hold back sea water started early this year. The oil refinery will mainly rely on imports for its crude oil. Large oil tankers with a 200,000-ton capacity can berth at its oil transportation port. If cooperation and negotiations are successful, this will be the largest export-oriented oil refinery base on the Chinese coast.

Red Cross Society Sends Humanitarian Aid to Iran

OW1503060893 Beijing XINHUA in English 0556
GMT 15 Mar 93

[Text] Beijing, March 15 (XINHUA)—The first batch of rescue materials provided by the Red Cross Society of China (RCSC) has reached Iran, according to RCSC sources.

When Iran was hit by severe floods late last month the RCSC decided to provide the Red Crescent Society of Iran with one million yuan (about 175,000 U.S. dollars)-worth of humanitarian aid, including food and blankets, to be transported to Iran in three separate batches.

The RCSC has provided 67,000 U.S. dollars and materials valued at more than 2.75 million yuan renminbi (about 462,000 U.S. dollars) to 12 countries so far this year.

Friendship Association Established With Yemen

OW1803223793 Beijing XINHUA in English 1924
GMT 18 Mar 93

[Text] Sanaa, March 18 (XINHUA)—An official meeting was held here today for the establishment of the Yemeni-Chinese Friendship Association under the banner of “Further enhancing Yemeni-Chinese friendship.”

The meeting was attended by the Yemeni First Deputy Premier, Hasan Muhammad Makki, and the mayor of Sanaa, Husayn al-Masuri, and other senior Yemeni officials and more than 200 Yemeni nationals, as well as representatives of Chinese citizens working in Yemen.

The meeting was addressed [words indistinct] who is the chairman of the Preparatory Committee of the Yemeni-Chinese Friendship Association, and by the Chinese ambassador to Yemen, Li Liukun.

Sub-Saharan Africa

Nigerian Official Reports on Education Agreement

OW1603010493 Beijing XINHUA in English 1954
GMT 15 Mar 93

[Text] Lagos, March 15 (XINHUA)—Two Nigerian universities will get teaching equipment and teachers from China as assistance to enhance the country's educational development.

The secretary of state for education and human services, Bello Dogondaji, who made the announcement today here after an 11-day tour of China, said that the Nigerian government was already handling a bilateral agreement to ensure that Chinese students and researchers will come to Nigeria.

He also said that while in China he attended the Chinese national conference on education for all in Beijing, met with Director-General of UNESCO Frederico Mayor, and visited various educational institutions.

West Europe

Li Lanqing Receives Danish Trade Delegation

OW2203094493 Beijing XINHUA in English 0928
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—Li Lanqing, Chinese minister of foreign economic relations and trade (MOFERT), met a trade delegation from Denmark here this afternoon.

Li Lanqing and Arne Christiansen, head of the Danish delegation and former minister of commerce, reviewed the cooperation between the two countries in the economic and trade field last year and hoped to see further cooperation in agriculture, infrastructural construction, communications, energy, telecommunications and technology.

This morning, a Chinese delegation headed by Vice-Minister Gu Yongjiang and the Danish delegation met for the 13th session of the Sino-Danish Mixed Commission on Economic and Trade Cooperation.

Last year, China's trade volume with Denmark hit a record 291 million U.S. dollars, 16.2 percent more than in the previous year.

China's export to Denmark last year was 152 million U.S. dollars, almost the same as the year before, while the figure for import was 139 million U.S. dollars, an increase of about 40 percent over the year before.

China's main imported goods from Denmark included machinery, edible oil, foodstuff, complete sets of equipment and related technology, instruments, light industrial products and medicine.

China's main exported goods to Denmark were garments, light industrial products, textiles, medicinal materials, handicrafts, animal by-products, drawwork, machinery, chemical products and ferrous metals.

German Grain Aid Project Proceeds 'Smoothly'

SK2003092693 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 18 Mar 93

[Text] At the commendation rally for the China-Germany grain aid project held on 18 March, the provincial government issued the friendly cooperation awards to Dr. (Shao Youtai) and nine German specialists living in Shandong who have made contributions to the grain aid project. Entrusted by the pertinent state department, Vice Governor Wang Jiangong issued the state friendship medal and certificate to Dr. (Shao Youtai) and nine German specialists, conferred the title of advanced unit in the China-Germany grain aid project to Yushui County and nine other units, and conferred the title of advanced workers in the China-Germany grain aid project on (Tang Chuanyu) and 40 other comrades.

The China-Germany cooperation and grain aid project is an important cooperation project in Shandong Province and is the project using the most interest-free aid from the German Government. In accordance with the aid and cooperation plan, by 1997 the total investment will reach 700 million yuan in renminbi, of which, the German Government will provide some 100 million marks. Since its implementation, this grain aid project has been carried out smoothly thanks to the friendly cooperation between the Chinese and German sides. It has been carried out well thanks to the endeavor of the governments at all levels and the vast numbers of the masses in the areas covered by the project. Meanwhile, the construction quality and management level of the parts of the project have attained the advanced level of the same types of projects in the country. Over the past year, this project has consumed 210 million yuan of investment, of which, 110 million yuan has been aid provided by Germany. Thanks to this project, 350,000 persons and 200,000 domestic animals have been provided with drinking water, 232 square km of land have been protected from soil erosion, 4,441 hectares of irrigated land have been developed, 1,200 km of rural roads have been built or repaired, and 670 km of power transmission lines have been erected. In the areas covered by this project, single-item works have spread all over, and the residents in poor mountainous areas have been able to drink clean tap water at their own houses, instead of carrying water on their shoulders from areas several kilometers away.

Military Aircraft Evacuates Injured UK Tourists

OW2203165593 Beijing XINHUA in English 1613
GMT 22 Mar 93

[Text] Chengdu, March 22 (XINHUA)—China's Central Military Commission and the headquarters of the General Staff of the People's Liberation Army (PLA) sent a

special aircraft today to evacuate two young British tourists who were injured in an accident in Emei Mountains of Sichuan, southwest China on March 11.

The two had already been transferred to this capital of Sichuan Province by helicopter. The special plane sent today transported them to Shenzhen in Guangdong Province, so that they will leave the country.

Three doctors from the Beijing Emergency Medical Center and the Beijing Union Medical College Hospital accompanied the tourists on their way to Shenzhen.

The two British (the English spellings of their names were not available at press time), a 28-year-old mechanical engineer and his girl friend, a primary school teacher, were severely injured when their car turned upside down on a mountain road.

Medical staff from nearby Leshan city rushed to the scene and administered emergency treatment.

The two are reported to be out of danger.

Eighth National People's Congress

Proposed Amendments to Constitution Viewed

HK2103072593 Hong Kong *SOUTH CHINA DAILY MORNING POST* in English 21 Mar 93 p 8

[By Chris Yeung in Beijing]

[Text] China is to make major amendments to its constitution to help clear obstacles to a faster pace of economic growth and allow a gesture of democracy under its one-party rule.

A set of amendments, one of the most thorough constitutional changes in communist Chinese history, were tabled by the Standing Committee of the National People's Congress at a full session yesterday.

They are scheduled to be rubber-stamped by the 2,977 deputies at the current plenum which closes on March 31.

One of the most significant amendments will be made in Article 15, in which the clause "the country will practise a planned economy on the basis of a socialist public ownership" will be dropped from the 1982 charter.

Instead it will now specifically state that "the state practises a socialist market economy".

The amendments reflect the instructions of patriarch Mr Deng Xiaoping following his swing through the southern province of Guangdong last year and his Lunar New Year tour of Shanghai.

In the face of the fundamental shift from a planned economy to a market economy, the NPC standing body proposed replacing the term "state-run enterprises" with "state-owned enterprises" in Article 16 and Article 17.

This will provide a constitutional basis for further reforms of the money-losing state-owned enterprises, which have been a heavy drain on the government purse.

By separating the right of ownership and the right of managing under the public ownership system, it allows state-owned enterprises to enter into partnership with foreign investors to help improve their operations.

The NPC standing body explained to delegates that the development of a socialist market economy needed to be protected by a more comprehensive set of laws.

"Therefore, it is an urgent task to develop a set of laws on the functioning of the market economy."

In agriculture, Mao Zedong's commune and rural co-operatives system will become history in the revised constitution.

It will instead say the countryside will be home to "the household-based system of contract responsibility with remuneration linked to output", meaning farmers would have considerable freedom in determining what to grow.

Amendments to eight major parts of the constitution were endorsed by the Communist Party Central Committee last month.

The ruling party has, as expected, rejected proposals from legal experts by retaining clauses such as the Four Cardinal Principles of party leadership and "people's dictatorship".

However, the CCP's Central Committee has made three more proposals.

One important change in the preamble of the newlook constitution says "the system of the multi-party co-operation and political consultation led by the Communist Party of China will exist and develop for a long time to come".

The inclusion of the passage means the ruling party is to stick to its one-party rule, in line with reiterations by Beijing leaders that China will never go along the road of Western-style democracy.

Meanwhile, the NPC standing committee said it had decided to turn down a proposal to stipulate the policy of "one country, two systems" in the preamble or the section on general principles.

Some Hong Kong legal experts had proposed its inclusion to avoid contradictions between the Hong Kong Basic Law and the socialist constitution.

One contradiction is that the future Special Administrative Region should practise capitalism while the mainland should practise socialism.

The NPC standing committee argued that it was not necessary to make other amendments.

Draft Amendments to Constitution Discussed

OW2203092793 Beijing *XINHUA* in English 0902 GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—A famous Chinese constitutionalist said today the draft amendments to the Constitution submitted to the current session of the Eighth National People's Congress (NPC) reflect the guiding principle raised by Deng Xiaoping on building socialism with Chinese characteristics and the guidelines of reform and opening to the outside world.

In an interview with XINHUA, Wang Shuwen, a deputy to the NPC and director general of the Constitution Institute of the China Law Society, said the draft amendments are of great importance and far-reaching historical significance as they cover important economic, political and social issues of the country.

The amendments which give emphasis to the theory of building socialism with Chinese characteristics and the basic line of the party focusing on economic development constitute a scientific summary of the experience of reform and opening to the outside world in the past 14 years.

The Central Committee of the Communist Party of China (CPC) put forward a proposal on amending part of the Constitution to the Standing Committee of the Seventh NPC in February this year. This, Wang Shuwen said, reflects the political leadership of the CPC—the ruling party—over the state affairs, “the party’s proposition will become the state will through the amending of the Constitution,” he added.

Afterwards, the 30th meeting of the Standing Committee of the Seventh NPC discussed the CPC’s proposal and put forward the draft amendments to the Constitution, which are submitted to the current session of the Eighth NPC for deliberation. Wang said the amending of the Constitution this time strictly follows the procedures stipulated by the Constitution. After deliberation, the draft amendments will be submitted to the current NPC session for approval and the approval will require two thirds majority of votes of NPC deputies.

All the nine proposed draft amendments submitted to the current session of the NPC are related with reform. Wang said they fall into six aspects:

- Addition of “persevering in reform and opening to the outside world”.
- Stipulation of the state “practising socialist market economy.”
- Changing “state-run enterprises” into “state-owned enterprises.” The change, though the difference of only one word, indicates the separation of the ownership of the public property from the right of management;
- Addition of “rural household-based contract responsibility system with remuneration linked to output,” which belongs to the sector of socialist economy under collective ownership by the working people;
- Addition of “the system of multi-party cooperation and political consultation led by the Communist Party of China will exist and develop in China for a long time to come;” and,
- Extending the term of office of the people’s congresses of counties from three years to five years so as to avoid waste of manpower and materials as a result of frequent elections at county level.

In Wang’s view the experience in the past decade proves that the existing Constitution is a good one with Chinese characteristics, which can meet the needs of modernization program of China. But, with development of the country’s reform, opening up and construction, some stipulations in the Constitution cannot conform to the reality in China. Therefore, it is necessary to amend it again after its amendments in 1988.

The current Constitution of China was enacted in 1982. China had promulgated three Constitutions in 1954, 1975 and 1978 respectively before.

The NPC deputy who participated in drafting the 1982 Constitution said the first Constitution of New China reflected the general line of the CPC during the transition period and was authoritative. The Constitutions formulated in 1975 and 1978 could no longer meet the needs of socialist modernization program because, influenced by the “leftist” tendency, they took “continuous revolution under the proletarian dictatorship” as guidelines.

Wang Shuwen said the draft amendments this time place emphasis on the theory of the primary stage of socialism and building socialism with Chinese characteristics, which will enhance the authoritativeness of the Constitution as a fundamental law of the state.

He said the amendments will further facilitate development of the socialist legal system based on the Constitution.

Once the draft amendments are adopted, Wang said, the state should strengthen legislation, especially enacting and improving laws governing reform and opening up, macro-economic control and micro-economic behavior, with a view to promoting establishment of the legal system suited to socialist market economy.

China To Promulgate 12 New Economic Laws

HK2203112593 Hong Kong CHING CHI TAO PAO in Chinese No 10, 15 Mar 93 p 26

[“China Economic News” Column: “Twelve New Economic Laws to Be Promulgated”]

[Text] It was learned from the People’s National Congress (NPC) Standing Committee that China would promulgate 12 new economic laws.

The Company Law: The draft of the law has been formulated and is to be submitted soon to the NPC Standing Committee for examination and approval. The law is designed to establish standard company rules and regulations and protect the legitimate rights and interests of domestic and foreign companies.

The Budget Law: A draft is expected to be worked out and submitted to the NPC for examination and approval before the end of this year. The Finance Ministry is now conducting investigations and feasibility studies on some major issues concerning the enactment of the law.

The State Assets Law: The drafting of the law will be completed at the end of this year. The Financial and Economic Committee suggested listing the law in the 1994 legislation plans of the Standing Committee of the NPC and the State Council.

The Fixed Assets Investment Law: As research and revision efforts continue, a draft outline of the law is expected to appear in the near future.

The Economic Coordination Law: The law, which is currently being drafted, will be placed on the this year's legislation plans of the Standing Committee of the NPC and the State Council.

The Agricultural Law: The drafting of the law is expected to be completed at the end of this year and then reported to the State Council for examination and approval.

The Agricultural Investment Law: Opinions from all sides concerned are being solicited. The law is anticipated to be reported to the State Council for examination and approval at the end of this year or at the beginning of next year.

The Insurance Law: The drafting of the law is scheduled to be completed next year.

The Law of Negotiable Instruments: The drafting of the law is scheduled to be completed before the end of this year.

The Law on Protection of the Rights and Interests of Consumers and the Real Estate Law: They are listed in this year's legislation program.

The Commercial Law: The law is expected to be finalized at the end of this year.

Deputies Forward More Motions Than Last Session

*OW2103163293 Beijing XINHUA in English 1533
GMT 21 Mar 93*

[Text] Beijing, March 21 (XINHUA)—The number of motions put forward at the First Session of the Eighth National People's Congress (NPC) surpassed that last year by a remarkable margin, a spokesman from the Secretariat of the congress said here today.

Up to the deadline, motions received totalled 613 in number, an increase of more than 100 over the last session, according to the spokesman.

Judging from the motions, he said, it is the consensus of all deputies attending the ongoing session to accelerate economic development, speed up the pace of reform and opening to the outside world.

He said the motions demonstrate the following features:

—More proposals on finance. For examples, many motions call for formulating a legal framework for a socialist market economy, and the enactment of a law of commercial bills, an anti-dumping law and a tendering law.

—Some motions urge supporting and developing the economies of poverty-stricken areas, especially remote border areas and ethnic minority-inhabited areas, such as formulating special policies to promote economic development there;

—A considerable number of motions call for the protection of the interests and rights of citizens such as establishing a social security system for women having given birth, the enactment of an occupational safety and health law, a privacy protection law and a law to protect the rights and interests of Taiwan compatriots living on the mainland, and the revision of the law concerning pharmaceuticals control.

—Some motions suggest strengthening education, developing cultural undertakings and spreading socialist ethics;

—Motions on development of the people's congress system account for a considerable number.

In addition to the motions above, many deputies have also raised suggestions, criticisms and opinions, urging administrative, judiciary and procuratorate departments to improve their work efficiency.

Session Office Receives 9,200 Letters

*OW2103134293 Beijing XINHUA in English 0825
GMT 21 Mar 93*

[Text] Beijing, March 21 (XINHUA)—Some 9,200 letters and telegrams from across the land and overseas had poured into the office for handling letters and visits of the current First Session of the Eighth National People's Congress (NPC) by Saturday [20 March] since the session opened on March 15.

An official with the office said that the letters and telegrams came from people from all walks of life. Some came from Hong Kong, Macao and Taiwan compatriots and Chinese students studying abroad.

In their letters or telegrams, many people expressed their great interest in the country's development and the future of the nation. Their suggestions and comments covered all fields of the country's economic development.

A Beijing resident wrote in his letter that the First Session of the Eighth NPC has aroused people's great interest because at the session a new government leadership will be chosen.

Some people highly evaluated Deng Xiaoping's theory on building socialism with Chinese characteristics. Tang Shijin from Suizhou city of Hubei Province wrote appreciatively, Deng's theory "has propelled our country's economic development onto a fast lane."

In their letters many people put forward suggestions for reform and opening up. Geng Xilei, a member of the Shanxi Provincial Committee of the Chinese People's Political Consultative Conference, mailed 10 case studies on how to improve operating mechanism of state-owned large and medium-sized enterprises.

Some people expressed their support for the solemn statement made by Premier Li Peng on Hong Kong issue

and voiced their indignation over the perverse acts of the British Hong Kong authorities.

According to the official from the office, the office staff processed the letters and telegrams promptly and forwarded major matters and suggestions mentioned in the mail to the Chinese Communist Party Central Committee, executive chairmen of the session's Presidium, the State Council and relevant leading departments.

Hainan Praises Opportunities in Tourism

HK2203032293 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 17 Mar 93

[Text] Interviewed by Taiwan's LIEN HO PAO reporters on the afternoon of 15 March, Ruan Chongwu, deputy to the Eighth National People's Congress, secretary of the Hainan Provincial CPC Committee and governor of Hainan, said: Hainan is a maiden land waiting to be developed. It enjoys exceptional advantages and offers many opportunities. Whoever invests here can make a profit.

Answering the reporters' questions, Ruan Chongwu said: This year, Hainan is viewing tourism as a leading industry, because Hainan has exceptional advantages for the development of tourism, such as unpolluted air and a natural environment, which are very rare in China and the rest of the world.

The (Yalian) Bay, the (Shilei) Bay, (Yilin), Wuzhishan, the tropical rain forest, the primeval forest, and the customs of the ethnic Li and Miao nationalities enhance the color of Hainan's tropical scenery. The development of tourism can bring along the development of all trades and services, such as real estate, communications, agriculture, the catering trade, and banking. Therefore, everyone can have a part in it and can actively participate in it. Hainan's flatland area is larger than Taiwan. It has great potential for crop farming and the breeding industry and has many mechanisms for investment and development as well. Taiwan compatriots and foreign investors who have invested in Hainan over the past few years have earned money. Moreover, people can obtain visas upon arrival in Hainan; capital can come and go freely; commodity import and export is convenient; restrictions on personnel, funds, and materials are comparatively free and loose. These are better advantages than other places offer.

Ruan Chongwu also answered other questions raised by the Taiwan reporters, saying: Hainan has considerably improved its tangible and intangible conditions. Sanya's (Fenghuang) Airport will be put into operation next July. The Yangpu Development Area and the Haikou Bonded Area will offer custom services early this April. Public security and traffic order have improved considerably when compared to last year. We welcome Taiwan compatriots and foreign businessmen to pay travelling, sightseeing, investigation, and investment visits to Hainan.

Daily Reports on Beijing Delegation Composition

SK2303084593 Beijing BEIJING RIBAO in Chinese 16 Mar 93 p 1

[Text] Beijing Municipality has organized a new delegation to the First Session of the Eighth National People's Congress [NPC]. Zhang Jianmin was elected head of the delegation while Tao Dayong, Huang Chao, Zhou Guanwu, and Tao Xiping were elected deputy heads of the delegation.

The total number of the municipal delegation to the NPC's session is 62. Except for two deputies who are absent on leave, all deputies have reported to the session. Of the newly elected deputies, 32 are reelected consecutively; 30 are newcomers; and 18 are women deputies. These deputies come from various industries and trades. Some of them are leading cadres at various levels; some are noted personages from the circles of the economy, education, science, culture, public health, and physical culture and sports; and some are from plants, rural villages, schools, and grass-roots level units.

Shandong Secretary Notes Economic Tasks

SK2203074693 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 16 Mar 93

[Text] According to the dispatch of our station reporter, (Gao Xuezhou), from Beijing Municipality, Jiang Chunyun, member of the CPC Central Committee Political Bureau and secretary of the Shandong CPC Committee, attended the group discussion held on the afternoon of 16 March by the province's deputies to the National People's Congress' session on Premier Li Peng's Government Work Report and voiced his opinion by saying: Seizing opportunity and accelerating development are the basic and main contents of Premier Li Peng's report.

Jiang Chunyun said: Premier Li Peng's Government Work Report fully illustrates the important speeches given by Comrade Xiaoping during his inspection tours in the south and the spirit of the 14th CPC Congress and the Second Plenary Session of the 14th CPC Central Committee. It conforms with our country's conditions and with the desire of the people throughout the country. It is the programmatic document for our country to upgrade its reform and construction. The key point of seizing the opportunity and accelerating the development, which runs through the Government Work Report, has very strong influence. We must earnestly implement the work report and score faster and better achievements in reform, opening up, and various undertakings.

In voicing his opinions, Jiang Chunyun specifically expounded the issues of seizing opportunities and accelerating development. He pointed out: Accelerating the development has been decided by our country's conditions. China is a developing country in its initial stage of socialism. Contradictions chiefly exist between the people's increasing demand for culture and material wealth and the force of social production. The fundamental way

to deal with these contradictions lies in developing the economy. A backward economy will probably hinder the people's livelihood. To stand independently among nations of the world, we must accelerate economic development. Therefore, accelerating development represents a perfect and important principle in line with the will of the people and the general trend of events.

Referring to whether we can accelerate development and how we can accelerate it, Jiang Chunyun gave an explanation bearing the province's reality in his mind, in which he said: Over the past 12 years, the average increase of the province's GNP has been 11.1 percent. In the first two years of the Eighth Five-Year Plan period, the yearly average increase in this regard was 15.8 percent. With economic success in the coming eight years, the average increase may reach 10 to 12 percent. Thus, the province will be able to realize the second doubling of its economic plan this year and by the end of this century, the province will be able to triple its economic plan. He said: We face a very rare and favorable opportunity and challenge. We must seize the opportunity, withstand the challenges, and accelerate economic development.

Then, Jiang Chunyun mentioned the following six measures of accelerating the province's economic development:

1. Efforts should be made to deepen reform. The development achieved over the past 10 years was helped by reform. Thus, to achieve greater development in the future, we must continuously do a good job in concentrating our efforts on deepening reform.

2. Efforts should be made to expand opening up. We should strive to make a great step in utilizing outside capital, upgrading the rate of putting the three types of foreign-funded enterprises into production or operation, conducting technical grafting and renovations among the out-dated enterprises, and readjusting the structure of export products.

3. A good job should be done in readjusting the structure. By proceeding from the weak links, a good job should be emphatically done in grasping the projects of enhancing the construction of agriculture, basic industries, and infrastructures; the projects of successfully formulating the budgets of developing the export-oriented economy, having science and education make the province prosperous, and developing the tertiary industry; the transcentury projects of improving the province's outlook and carrying out development on the Huanghe Delta; and the project of establishing a large number of leading industries.

4. Efforts should be made to push forward scientific and technological progress. Work emphasis and direction should shift to the track of relying on scientific and technological progress and upgrading the quality of laborers. A good job should be done at present in emphatically grasping the technical renovations of enterprises. We should make preparations for raising some

funds in the coming five years to emphatically reform the existing enterprises. We should concentrate our efforts on boosting large and medium enterprises and some key enterprises on the one hand and on developing township enterprises on the other hand. Efforts should be made to encourage township enterprises to improve their scope, grade, and level.

5. By proceeding from reality, we should accurately determine our own development methods and uphold the principle of doing things in line with the objective law. As for the speed of development, we should refrain from seeking uniformity and let the ones capable of speeding up development, do so. The ones who lack the conditions for speeding up should not be forced to speed up.

6. We should uphold the principle of building material and spiritual civilizations simultaneously and score good results in both of them. A good job should be further done in building spiritual civilization, conducting party building, and carrying out the construction of democracy and legal systems so as to provide a strong spiritual motivational force in various fields, a reliable organizational guarantee, and a fine social environment, for reform and opening up and for accelerating economic development.

Yang Rudai Discusses Work Report With Sichuan Deputies

OW2303052393 Chengdu Sichuan Television Network in Mandarin 1145 GMT 21 Mar 93

[Announcer-read "Special dispatch from Beijing: Deputies of our province discuss Premier Li Peng's Government Work Report" by reporters Cheng Chaoyang (4453 2600 7122) and Wu Wensheng (0702 2429 0524) from Beijing; from the "Sichuan News" program]

[Text] Deputies of our province participating in the First Session of the Eighth National People's Congress [NPC] were divided into eight groups when they held discussions in the afternoon of 16 March. Deputies Yang Rudai, Yang Xizong, Xiao Yang, and Xie Shijie took the floor. They earnestly conducted heated discussions Premier Li Peng's Government Work Report, delivered on behalf of the State Council. Deputies maintained that the Government Work Report summed up the achievements scored by our country in implementing reform and the open policy in the past five years, pointed out some existing problems, and put forward the objectives to strive for by our country in carrying out reform, opening up, and modernization in the future. They believed that the entire report embodies the spirit of dealing with concrete matters relating to work. During their discussions, many deputies of our province made a number of suggestions on how to enable our province to promote agricultural development, take a bigger step forward in reform and opening up, and give full play to the role of the two good foundations enjoyed by Sichuan in agriculture and a large number of enterprises located

at remote regions away from the coastal areas to accelerate Sichuan's rapid economic development.

Yang Baibing Urges Seeking Truth from Facts

HK2203131693 Beijing JIEFANGJUN BAO in Chinese
20 Mar 93 p 1

[By reporter Fan Jianghuai (5400 3068 2037): "At Discussion on Government Work Report, National People's Congress Deputy Yang Baibing Urges To Seek Truth From Facts, Grasp the Center, and Do Solid Work in Real Earnest"]

[Text] Beijing 17 Mar (JIEFANGJUN BAO)—In his speech made during a panel discussion on Premier Li Peng's Government Work Report this afternoon, Yang Baibing, deputy to the National People's Congress, said that the report has reviewed the great accomplishments scored in reform, opening up, and modernization in China over the past five years, set out the second-step strategic goal for China to realize modernization in the next five years, embodied the spirit of Comrade Deng Xiaoping's talks made during his southern inspection tour, implemented the theory on building socialism with Chinese characteristics, and was a very good report.

Yang Baibing believed that the entire Government Work Report has fully implemented the 14th party congress spirit and adhered to the thinking that the party's basic line would remain unshaken for the next 100 years. It was of major significance to guiding the Chinese people to accelerate national economic construction and laying a sound foundation from realizing the second-step strategic goal.

Yang Baibing said that the report was comparatively scientific in summarizing the great accomplishments scored over the past five years and provided people with a very clear picture of the accomplishments; when proposing the targets for the next five years, it has left some leeway and indicated possible problems and difficulties in making progress; thus the ideological line of seeking truth from facts was fully embodied and very convincing.

Yang Baibing said that the theme "grasp the opportunity, accelerate development" ran through the government work report. Now that the chief principle for running the state was settled, the conditions for accelerating development were mature, with political stability, economic growth, and social stability. So long as people of the whole country grasp this golden opportunity for development, do substantial work in real earnest, and go all out to work hard, they are able to realize the goal of making the national economy mount a new plane.

Yang Baibing expressed his appreciation for the proposal "the center of economic construction must be firmly grasped" in the report. He said that the basic task for socialism is to emancipate and develop productive

forces. To fulfill this task, it is imperative to adhere to this center, which should never be moved for the next 100 years.

On administrative structural and government institutional reforms, Yang Baibing believed that the institutional reform of governments at various levels were experimental, and would take three years for their completion; this also embodies the truth-seeking style. Institutional reform is an arduous and complex task as well as an important condition for building the socialist market economic structure and accelerating economic development. This being the case, it is imperative to adopt the principle of being active but in a sure and steady way.

In conclusion, Yang Baibing expressed his belief that should the tasks set out in the government work report be implemented in practical work in a down-to-earth manner through the joint efforts of the party and the people, a new stage of socialist modernization would certainly be constructed.

Li Peng, Gansu Deputies Discusses Development

HK2303025293 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 18 Mar 93

[Text] Yesterday morning, State Council Premier Li Peng listened to the Gansu National People's Congress [NPC] delegation's views on the Government Work Report and discussed with them plans for the invigoration of Gansu's economy.

At 0900, Li Peng and the Gansu NPC delegation first had photos taken. Hao Pengtao, secretary of the Southern Gansu Tibetan Nationality Autonomous Prefecture; Dewachang, the living Buddha of the Labuleng Temple; and Sayangtudanjianpo respectfully presented hadas [pieces of silk used as a greeting gift], which symbolize good luck and honor, to Li Peng on behalf of Gansu's Tibetan people. Provincial party Secretary Gu Jinchi, Governor Yan Haiwang, and others gave a report to Premier Li Peng about how the NPC deputies have deliberated the report over the past few days.

Premier Li Peng, who has visited Gansu three times, cares very much for Gansu's economic construction. After listening to the deputies' speeches and in response to their remarks that following the speedy development of southeastern coastal areas the gap between central and western China and economically developed areas has widened, Li Peng said: Since liberation, and especially since the Third Plenary Session of the 11th CPC Central Committee, great changes have also taken place in Gansu. Gansu has become one of China's energy, non-ferrous metal, and petrochemical industry bases and has made contributions to the whole country. He believed that in the next five years, Gansu will take a still greater stride in developing the economy, establishing the socialist market economic system, and improving the people's living standards.

Li Peng stressed: Gansu must firmly seize agriculture as the foundation; must build large, medium, and small water conservancy projects simultaneously; and must not neglect the harnessing of small rivers. For such a dry province as Gansu, in particular, it is necessary to pay attention to the sparing use of water so far as the overall strategic thinking is concerned.

Li Peng said: It is necessary to conscientiously implement the CPC Central Committee and State Council's instructions and regulations regarding the lightening of peasants' burdens. While developing the economy as rapidly as possible, it is necessary to consider the capacity of peasants to shoulder the burdens. We must not seek results hastily and must not, especially, force commands on others.

Speaking on the question of quickening rural economic development, Li Peng said: To develop agriculture, we depend on policies, input, science, and technology. The most important thing here is to choose a good way of development that suits local conditions. It is necessary to have a good cadre group, especially a good leader, and to pay attention to strengthening the training and education of basic-level rural cadres.

When some NPC deputies spoke about the difficulties with some current administrative measures, Li Peng said: In order to resolve this problem, it is first necessary to develop the rural economy, develop township and town enterprises and tertiary industry, and at the same time, it is necessary to streamline administration and take the road of small organizations, big service.

Speaking on nationality unity, Li Peng said: Gansu is inhabited by many nationalities, and nationality unity is good. Due to various factors such as the historical and geographical conditions, ethnic minority areas are not developed enough economically. The most important thing to do to improve nationality unit is to quicken the development of the economies of ethnic minority areas. In this respect, the both central and local authorities have the responsibility to help them.

Wen Jiabao, alternate member of the political bureau of the CPC Central Committee and secretary of the CPC Central Secretariat, also participated in the discussion.

Guangxi Leaders Discuss Li Peng's Work Report HK2203033293 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 17 Mar 93

[Excerpt] On the morning of 17 March, Guangxi's deputies attending the First Session of the Eighth National People's Congress [NPC] deliberated the Government Work Report that Premier Li Peng presented at the opening ceremony, and they explored new methods for quickening economic development. Deliberating Premier Li Peng's Government Work Report in the Guangxi Room at the Great Hall of the People, the region's NPC deputies enthusiastically discussed the question of how to develop the region's economy.

Taking into consideration the region's actual situation, Zhao Fulin, NPC deputy and provincial party secretary, spoke about his personal feelings. He said: The region is stable socially and politically; people of various nationalities are united; economic growth is speeding up with every year, and the people's standard of living is continuously improving. In economic development, however, there is still a very large gap between the region and developed provinces and cities. From now on, people of all nationalities across the region must do all they can to catch up, struggle for three to five years to meet the rest of the country's development pace, strive to make the region's GNP rise above the national level and above that of Guangxi itself in the preceding 10 years, and keep the natural population growth below the national control target. To achieve this goal of struggle, our slogan is: Open to the outside world, lift restrictions at home, delegate powers to lower units, open the city gates, open the gate to the mountain, welcome people of all sectors to invest in Guangxi, and widen the scope and opportunity of Guangxi's opening to the outside world. Moreover, pay close attention to agriculture, pay close attention to large and medium enterprises and township and town enterprises, and pay close attention to the development of communications and energy. Only when we seize the opportunity and when people of all nationalities unite and struggle can we surely achieve our goal.

NPC Deputy Cheng Siyuan said: In recent years, Guangxi's economic development has been very rapid. Guangxi has the geographical advantage of bordering the sea, bordering the river, and bordering other provinces. It is also rich in natural resources. At present, many Taiwan businessmen have come to invest and initiate projects in Beihai city. If, proceeding from its actual situation, Guangxi improves its investment environment and adopts a preferential policy for foreign investors who come to invest in Guangxi, it will be very promising for Guangxi's effort to develop the economy and attain prosperity and strength.

NPC Deputy Cheng Kejie said: Premier Li Peng's Government Work Report has summed up the work of the past five years and has drawn up plans for work in the next five. As in all other localities of the country, Guangxi's economy has developed; government has proceeded smoothly; and the people have been at peace in the past five years. Now we must judge the hour, size up the situation, and catch the first train—we must not take the last train. We must seize the central task of economic construction and make all jobs serve it. As Guangxi is inhabited by ethnic minorities, it is necessary to emancipate the mind, pay close attention to opening to the outside world, pay close attention to building the big southwestern passage to the sea, pay close attention to the development of energy infrastructure, and vigorously develop subtropical cash crops and township and town enterprises. [passage omitted]

Guizhou Leaders Respond to Work Report

HK2203102893 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 17 Mar 93

[Excerpt] Deliberating Premier Li Peng's Government Work Report in the last two days, the province's National People's Congress [NPC] delegation unanimously held that the report is truth-seeking and heartening. They enthusiastically discussed various aspects of work around the report's main theme of reform and opening up and quickening development. They spent most of the time discussing the question of how the province will seize the favorable opportunity to quicken agricultural development.

NPC deputy Liu Zhengwei [provincial party secretary] said with deep feeling: After listening to Premier Li Peng's report, I feel it has great momentum and I am greatly encouraged. Since reform and opening up, Guizhou's GNP has increased by 150 percent and revenue has increased by nearly 800 percent. We must seize the opportunity to further quicken development.

Liu Zhengwei then elaborated on the question of how to quicken the province's economic development from three aspects, saying: First, it is necessary to make great efforts to strengthen the fundamental role of agriculture and stick to the principle that unified plans be made for grain, population, and ecology, and that they should be comprehensively managed and developed in a coordinated way; and to stick to fulfilling each year the task of converting slopes into 500,000 mu into terraced fields, completing the 500,000-mu green project, and reforesting 3 million mu of land. Second, it is necessary to thoroughly implement the strategic principle of opening up in all directions, namely going down to the south, going up to the north, reaching the west, and linking the east; integrating Guizhou's advantage of being rich in natural resources with the geographical advantages of sister provinces and cities. At present, it is necessary to pay special attention to developing infrastructure including communications and telecommunications, and creating conditions for further improving opening up. Third, it is necessary to pay good attention to township and town enterprises. We must see that the province's township and town enterprises lag behind in the country. Premier Li Peng stressed in the report that it is necessary to quicken the development of township and town enterprises in central and western China. We feel very satisfied. We must conscientiously implement the various principles, policies, and measures of the CPC Central Committee and the State Council, and quicken development of the province's township and town enterprises.

NPC deputies Wan Chaowen, Guan Yanhe, and Wang Lusheng said: Since reform and opening up, the province's agriculture has developed considerably, but the gap with that of coastal areas has further widened. For this reason, they suggested that the state should emphasize readjusting the rational distribution of productive

forces in central and western China, adopt special measures so that its natural resource advantage can be brought into full play, and tilt toward them by means of input, arrange for some key development projects, and, moreover, help improve the agricultural infrastructure, the investment environment, and others things. [passage omitted]

Hunan Delegation Views Current Economy

HK2003055393 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 17 Mar 93

[Text] At the Hunan National People's Congress delegation's group discussions of the Government Work Report yesterday, Li Yining, deputy to the Eighth NPC, Beijing University professor, and noted economist, pointed out: We must never say that the economy is overheated by simply judging from whether the growth rate is speedy or slow.

Li Yining said: All localities now have a very strong incentive to develop the economy. Under these circumstances, if we use the retrenchment policy macroscopically, it cannot check the growth of economically developed areas but a number of provinces, including Hunan and Guizhou, whose speedy development has just begun.

In his speech, (Xiao Zhengrong), secretary of the Dayong party committee and NPC deputy, said: People say that the economies everywhere are overheated, whereas the fact is that some places in Hunan are still in a state of coldness. He called on relevant quarters to adopt macroscopic regulatory and controlling measures, to never impose uniformity and brake growth suddenly, and to give local governments the opportunity to quicken development in light of their own situations.

Sichuan on Banning Officials From Moonlighting

HK2003063593 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 17 Mar 93

[Text] After being elected governor of Sichuan Province early in the year, Xiao Yang said that government officials must not have a second job, must not enter the stock market, and must not wield personal power to seek personal gain or arbitrarily apportion money and others among subordinate units and basic-level units. Since the "three must nots" were made known to the public through the news media, they have drawn a comparatively considerable opinion from within the province and outside.

A report sent from staff reporter Kang Qing in Beijing says: At yesterday's discussion meeting held by the Sichuan NPC delegation, the "three must nots" were one of the hot issues raised by reporters.

A reporter asked: What is the motive for introducing the "three must nots"?

Xiao Yang said: The masses have basic demands on government officials. They demand that officials be

impartial and fair-minded. If they are not honest, it is difficult for them to be impartial. Now the thing is that many scientific and technological personnel have a second job. This concerns the question of whether or not government officials should have a second job. In our opinion, a second job, being an occupation, accounts for a considerable proportion of one's work and is no amateur hobby. In the course of establishing the socialist market economic system, it is very dangerous if government officials get too deeply involved in the business circles while making no distinction of their powers. At that time, we discussed and held that in the transition period, when socialist market economy is being established, this must be a demand on government officials.

A reporter asked: What specific measures are there to ensure that the "three must nots" are implemented?

Xiao Yang answered: Overall, if an official has violated the three principles for the first time, there follows the question of to what extent he has done this. We now have an overall demand, but do not have a demand about the extent. We are now formulating concrete ways and defining a scope to be brought under management. In the case of stocks, government officials can purchase them. But they must purchase them within a limited scope and must not purchase them by wielding their powers. Even within the limited scope, there is also the question of to what extent. There must also be specific regulations regarding the question of stocks. We are now studying how to clearly define the extent so as to facilitate operation. If one simply does not agree with these three principles, we suggest that one should not work for the government. As for officials directly related to the stock exchange, the demand should be much stricter.

Finally, Xiao Yang said: I think it is possible for Sichuan to observe the three principles.

Wang Bingqian, Anhui Deputies on Work Report
OW2303045993 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 19 Mar 93

[By ANHUI RIBAO reporter (Li Changwen) and station reporter (Hua Yan); from the "Provincial Hookup" program]

[Text] Anhui Provincial deputies attending the First Session of the Eighth National People's Congress [NPC] held a plenary session on 18 March to continue the examination and discussion of the government work report.

Deputy Sun Qimeng, vice chairman of the Seventh NPC Standing Committee, delivered a speech on the special topic of the development of education. Deputy Wang Bingqian, state councillor, and others attended the meeting to listen to the speeches. Deputies eagerly took the floor one after another. They spoke freely of their views on the issues of seizing the opportunity to promote Anhui's economic development, accelerating the building of railways, strengthening the role of agriculture

as the foundation of the national economy, attaching importance to elementary education, doing a good job of making laws on the protection of labor, and successfully maintaining quality control.

Deputy Sun Qimeng pointed out: It is necessary for us to have a clear understanding of two relationships, namely, the relationship between education and the economy, and the relationship between education and science and technology, when we give strategic priority to the development of education. Comrade Deng Xiaoping has always called for integrating education with the economy and has always stressed that the economy, science and technology, and education are a closely interrelated integration. We should really incorporate education into the overall strategy of socialist modernization to accelerate reform and development, and to usher in a new situation in education. It is necessary for party committees and governments at all levels to not only handle education work, but to also pay close attention to ensuring that the work is handled successfully. They must raise strict requirements, refrain from indulgence in empty talk, and do more concrete work.

Deputy Wang Bingqian pointed out: The speed of development mentioned by Premier Li Peng in his government work report is practical and workable. However, we must not impose rigid uniformity. Areas whose conditions permit can speed up development if possible; and those areas whose conditions do not permit must create favorable conditions to speed up development. All areas must act according to their capability when they set their targets. The contradiction between supply and demand is very conspicuous at the present moment of great economic development. We need funds to carry out construction and undertakings. The problem has become a difficulty. The fundamental way out of this difficult situation is increasing enterprises' economic returns. At present, we stress speed with good economic returns. Both speed and economic returns must be quadrupled at the same time. Deputy Wang Bingqian stressed that it is necessary for us to firmly foster a consciousness of quality in our endeavors to promote the development of a socialist market economy and encourage enterprises to participate in market competition.

When Deputy Wang Yang, vice governor of Anhui Province, took the floor, he said: It is very hard for a province that produces raw and semifinished materials as well as grain, and which has been under the restrictions of a planned economy for a long time, to initiate thinking and concepts compatible with a market economy. As a result, such a province is more backward than coastal provinces in economic development. The whole country is now shifting toward a market economy. Whichever province takes action fastest in this shift will enjoy more rapid development than the others. We definitely must seize this opportunity to shift to the track of a market economy and to accelerate Anhui's economic development. Deputy Wang Yang pointed out: The fact that we were unable to accumulate funds seriously hampered our development during the era of a planned

economy. Now, control over the prices of raw and semifinished materials as well as grain has been relaxed in our endeavor to promote the development of a market economy. It provides an opportunity for us to accumulate funds. He also pointed out that the effort to promote the development of areas along Chang Jiang has brought to light the local, favorable conditions of our province. Finally, Deputy Wang Yang stressed: If we pay attention to these important aspects, we will be able to seize the opportunity and promote Anhui's economic development more rapidly.

Guangzhou Mayor on Effect of Hong Kong Question

HK2003063393 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1256 GMT 18 Mar 93

[By reporter Xie Zuan (6200 9449)]

[Text] Beijing, 18 March (ZHONGGUO TONGXUN SHE)—In recent years, Guangzhou's Zhujiang Delta region has developed increasingly close economic relations with Hong Kong. As a result, the two regions have witnessed continued development on the basis of mutual benefit, mutual promotion, and mutual dependence. However, recently Chris Patten has time and again sabotaged the Sino-British cooperation and undermined the smooth transfer of power and smooth transition in Hong Kong. Patten's grave act has dealt a heavy blow to Hong Kong's economy. Will Guangzhou's economy be affected under such circumstances? How will Guangzhou stand up to such a possible impact?

At noon, this reporter interviewed Mr. Li Ziliu, Guangzhou mayor and Eighth National People's Congress deputy, on these questions.

Mayor Li answered these questions with full confidence. He said: As for current Sino-British relations, we are fully and psychologically prepared. Guangzhou's economy will probably be affected. However, both degree and extent of such an impact will be determined by how the situation will develop.

Mayor Li disclosed that Guangzhou has been keeping close watch over changes concerning the Hong Kong question and have discussed relevant countermeasures with experts in economic circles. Li noted: Up to now, Guangzhou has maintained normal contacts with Britain's economic circles. However, once the situation deteriorates, Guangzhou will be able to cope with whatever will happen with sufficient countermeasures and will certainly not be at a loss what to do. Mayor Li pointed out that Guangzhou's economy has been developing toward pluralization. Guangzhou has taken into account all factors when inviting foreign capital, jointly building large-scale projects, and making both macroeconomic and microeconomic plans. Therefore, Guangzhou has never cast its eyes on one region or one country alone. Nonetheless, Mayor Li emphatically stated that due to their special geographical locations, Hong Kong and Guangzhou have in fact closely cooperated and

relied on each other in economic development. Although a possible impact seems unavoidable, Guangzhou has made necessary preparations and there is nothing to worry about.

Mayor Li said that he is optimistic about the future of Guangzhou's economy. He urged friends who have made or will make investment in Guangzhou and who have conducted or will conduct trade with Guangzhou to set their minds at rest.

Hu Jintao, Tian Jiyun Address Guizhou Deputies

OW2003124093 Beijing XINHUA Domestic Service in Chinese 1127 GMT 18 Mar 93

[By RENMIN RIBAO reporter Ling Zhijun (0407 1807 6511) and XINHUA reporters Ding Qilin (0002 0366 2651), Li Xiaolin (2621 1420 2651)]

[Text] Beijing, 18 Mar (XINHUA)—"We must seize the opportunity to accelerate development, and this demands us to emancipate the mind, seek truth from facts, foster a strong sense of opportunities, and adopt effective measures to deepen reform and open wider to the outside world." These remarks were made by Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and deputy to the first session of the Eighth National People's Congress [NPC], during a discussion with Guizhou delegation this morning.

Early this morning, Hu Jintao arrived at the Guizhou Hall of the Great Hall of the People, where he examined the "Government Work Report" with fellow deputies in a cordial and warm atmosphere.

After listening carefully to what the deputies had spoken, Hu Jintao said: Guizhou has undergone major changes since the Third Plenary Session of the 11th CPC Central Committee. These changes were the result of the struggle waged in unity by cadres and people of all nationalities in Guizhou to implement the party's basic line in an all-round way. They also fully demonstrated the correctness of the party's line and its various principles and policies. Guizhou, an ethnic minority region in southwest China, has a relatively weak economic foundation; its gap with the coastal areas is fairly large. Now that we are aware of the gap, we must work hard to narrow it. In admitting our backwardness, we must not be resigned ourselves to backwardness. We must have faith and catch up with them as soon as possible.

He continued: To accelerate development, we must first of all acquire a strong sense of opportunities and must not miss the rare opportunities to accelerate development. We must proceed from reality and, based on the criteria of "conduciveness to three causes" [meaning "conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country, and improving the people's living standards"] forwarded by Comrade Xiaoping, blaze a path of development with Guizhou's characteristics.

Hu Jintao pointed out: We must, above all, lay a good agricultural foundation in Guizhou. We must perseveringly work hard to change the basic conditions of our agriculture, adjust its structure, and make full use of science and technology—the primary productive force—to advance agriculture. At the same time, we must adopt effective measures to develop village and township enterprises and drastically change the state of affairs in our poverty-stricken areas. This task is not only of important economic significance but also of major political significance. We must proceed from Guizhou's reality, make use of its favorable conditions, avoid using what it lacks, and increase the degree of reform and opening up. Only by doing so can we transform its rich resources into economic superiority.

He emphasized: In transition from a planned economy to a market economy, we must anticipate difficulties, study new situations, resolve new problems, and skillfully integrate the central policies with the province's reality. The province's economic development hinges on social stability and unity among cadres and people of different nationalities. Safeguarding stability and unity is our common responsibility and an important duty for all people's deputies.

Tian Jiyun, member of the CPC Central Committee Political Bureau and NPC deputy, also took part in the Guizhou delegation's discussion. Speaking of developing economically backward areas, he said: "When changes begin to take place in these areas and when the people's livelihood begin to improve, we will have more faith."

Tian Jiyun said: "Obviously, because of physical environment and constraints imposed by transportation, some areas will still be backward. On the one hand, these areas must themselves make an effort to greatly improve basic conditions in agricultural production and promote the development of productive forces, and on the other hand, the state should effect changes in government functions and adopt favorable policies toward these areas to enable them to develop faster."

Song Jian on Supporting Mainstay Industries
OW2003123893 Beijing China Radio International in Mandarin to Asia 0900 GMT 19 Mar 93

[From the "News" program]

[Text] After listening to the views expressed at a group discussion by Ningxia deputies attending the First Session of the Eighth National People's Congress, Song Jian, minister in charge of the State Science and Technology Commission, said on 18 March that, to develop the economy of rural areas—especially those in central and western parts of China—we must nurture the mainstay industries and support the mainstay enterprises. We should also follow this course while supporting the impoverished areas.

Zou Jiahua, Shaanxi Deputies Discusses Market
HK2303080093 Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 19 Mar 93

[Text] Listening to the Shaanxi National People's Congress delegation's deliberation of the Government Work Report on 18 March, State Council Vice Premier Zou Jiahua stressed: In researching the economy, it is first necessary to research the market. It is necessary to change conceptually from the previous practice of emphasizing industry research to emphasizing market research and the opening up of the home and international markets so as to invigorate our economy.

In his speech, Vice Premier Zou Jiahua, first of all, fully affirmed the remarkable achievements in Shaanxi's economic work and the construction enthusiasm of cadres across the province. He then expressed important views on the question of how to research the market. He said: In the past when we practiced planned economy, we mainly researched the various industries. This was workable in the early years. But we are now practicing market economy, therefore it is necessary to research demand and the market. Otherwise, we will only get half the result with twice the effort.

Comrade Zou Jiahua said: Everybody hopes the economy can develop a little quicker, and we feel exactly the same way. But we must consider one question, that is, how quick it should be. The last restriction to ensure both quick development and efficiency is intervention. If it is developing so quickly that inflation arises, we will suffer loss. It is not true that the quicker the economy is developing, the better it is. The point is that inflation must not arise. We must concretely analyze the extent of quickness and should do this in all trades and industries. We must have control over which trade or industry should develop quickly and which should not, and must not let all of them develop equally quick.

Construction can be long-term and short-term. If something already developing on a long-term basis is quickened, it will be too bad. Quickness depends on the market as the market is a very important precondition for our development. In researching any industry, it is first necessary to see where our markets are. Where on earth are the markets? Vice Premier Zou added: Our markets are both domestic and international. They are before our eyes and potential or invisible. As far as the domestic market is concerned, it is necessary to research the national market. If all provinces consider this the same way, a big national market will be formed and it will be an open market. We must not sell our goods to others only while shutting our doors to the import of their goods. The market doors must not be closed. If they are closed, market economy will be out of the question. In researching the international market, it is necessary to think of ways to export our products there. It is also necessary to research the existing and potential markets. It is necessary to see the needs of customers. Sometimes their needs are not concrete but are principled and

general. We must research those potential or invisible markets, and seize them and make predictions for them.

Speaking on Shaanxi's industry, Comrade Zou Jiahua reminded everyone that efforts on agriculture must never be loosened under all circumstances. He said: In considering agricultural development, we must consider the overall development of the rural areas, not merely grain production. If peasants do not have the purchasing power, industry will not occupy a big market at home and will not develop well. This must be linked to the market which I have mentioned previously. Therefore, the most important point in considering agricultural development is to consider overall agricultural development and the improving of peasants' purchasing power. If so, the plan that our biggest market lies in the rural areas will materialize.

Ding Guangen Urges Social Science Studies

HK2303073393 Xian Shaanxi People's Radio Network
in Mandarin 0010 GMT 18 Mar 93

[Text] Ding Guangen, our province's deputy to the National Peoples' Congress, member of the CPC Central Committee Political Bureau, and member of the Central Secretariat, spoke at a panel discussion which examined and discussed Premier Li Peng's Government Work Report. He stressed that it was necessary to strengthen the study of social sciences.

Ding Guangen said: Market economies in various countries throughout the world are based on private ownership, whereas the market economy in our country has been established on the basis of public ownership. How should we link public ownership with the market economic system? This is a new question, and I hope that social science workers will study this issue thoroughly. A new breakthrough must also be made in theoretical studies. For example, we must make great efforts to study the theory on building socialism with Chinese characteristics. A great deal of work should be done on the social sciences front, and various quarters must support this work. Scientists must learn from the spirit of Madame Marie Sklodowska Curie to make achievements in their research despite difficulties.

Ding Guangen added: Scientific farming in Ankang and high-tech development in Xian are examples of the integration of science and technology with production. Science and technology cannot be turned into productive forces if we leave them unused.

In their speeches, people's deputies Mao Lingsheng, Su Ming, (Yan Ruijiao), Wang Zhicheng, (Wang Shucheng), among others, strongly condemned Hong Kong Governor Chris Patten's perverse acts and resolutely supported Premier Li Peng's solemn and just stand on the Hong Kong issue.

Shandong Delegation Holds Group Discussion

SK2003141493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 18 Mar 93

[Text] On the morning of 18 March, while speaking at the plenary meeting to examine and discuss Li Peng's Government Work Report held by the Shandong delegation to the NPC session, Governor Zhao Zhihao stressed: At the current moment when we face the good situation in economic development, we must enhance the sense of urgency, gain the initiative, and lose no time to push the province's economic construction onto a new stage.

Zhao Zhihao said in his speech: Premier Li Peng stressed in his report that we must comprehensively implement the 14th CPC National Congress guidelines; seize every opportunity to accelerate reform, opening up, and modernization; and depend on the optimized structure, technological progress, improved management, and improved economic efficiency to maintain the basic balance between the total supply and demand in order to push the national economy to a new stage. In combination with the reality of Shandong's economic development in the past several years, I have been greatly touched and inspired by the basic task for economic construction set forth in the Government Work Report.

Zhao Zhihao said: In carrying out modernization, the principle for promoting economic development is unchanged. To extricate our country from poverty, to narrow the gaps between our country and developed countries, and to make our country strong and our people affluent, we must maintain a relatively high growth rate during a certain period. We are facing a good opportunity for development. To turn this good opportunity into practical reality, we must depend on reform and opening up in the final analysis. It takes time to build a new socialist market economic system. However, we must accelerate the pace and shorten as far as possible the transition from old system to a new one, rather than waiting negatively. In particular, the localities where the economy develops rapidly, where relatively more enterprises are export-oriented, and where relatively more products are subject to market regulation, should take the lead in making breakthroughs in order to put the new system in place as early as possible.

When it comes to the work of giving rise to a boom of technological transformation among enterprises as quickly as possible and gaining the initiative in expanding market, Zhao Zhihao said: As soon as China's status as a member of GATT is restored, the overwhelming majority of enterprises will be confronted with a severe test. At present, the problems with regard to the low grade, poor quality, and weak competitiveness of our products should attract our high attention. If things go wrong, our products will even be squeezed out from the existing domestic market, still less compete with others on the world market. Therefore, so far as existing enterprises are concerned, the basic way out is to vigorously promote technological progress and further improve the

quality and grade of products through carrying out technological transformation. This is the only way to regain the initiative. We must change the development zone boom, the real estate boom, and the boom of blindly initiating new projects to the booms of grafting, renovating old enterprises, and technological progress. In my opinion, our endeavor in this regard has not been enough. From now on, we should attend to this work as fast and enthusiastically as possible. For this, we have decided to resolutely curb the construction of low-level duplicated projects and concentrate the limited funds on thoroughly renovating existing enterprises. We plan to use a period of three years to renovate all large and medium enterprises in the province and use a period of five years to renovate all enterprises in the province with the aim of making 30 percent of large enterprises attain the advanced international level and 40 percent attain the advanced domestic level in the fields of skills, equipment, and technology.

Zhao Zhihao also dwelt on his own ideas on strengthening the position of agriculture as the foundation of the economy, developing agriculture by regarding it as major industry, and paying attention to developing the less developed areas.

Qian Qichen, Li Huaqing Attend Cultural Show

OW2203114893 Lhasa Tibet Television Network in Mandarin 1200 GMT 18 Mar 93

[From the "Tibet News" program]

[Text] On the evening of 15 March, a get-together for people's congress deputies held at the (Fajing) Guesthouse on Beijing's (Jinshan) Hill reached a climax. Deputies warmly applauded a cultural show performed by some Tibet deputies, including Raidi and (Geng Lianfeng), a renowned singer.

Wang Hanbin, Yunnan Delegation Meet

HK2203120593 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 18 Mar 93

[Text] As a deputy from Yunnan to the National People's Congress [NPC], Wang Hanbin, alternate member of the CPC Central Committee Political Bureau and executive chairman of the Presidium of the First Session of the Eighth NPC, came to take part in the discussion of Premier Li Peng's Government Work Report with deputies of the Yunnan delegation yesterday morning. He also expressed his views and made proposals on the work in Yunnan.

Wang Hanbin said: Yunnan boasts rich resources and great potential for economic development. To turn the advantage of resources to that of industries, it is necessary to use our heads on the intensive processing of product development to add value to products. In the course of developing resources, we may take the road of joint ventures and associations to import foreign capital and technology. He said: The success in combining

tobacco production with cigarette manufacturing, that is, the tobacco grown in Yunnan being locally processed into products, is a very good method.

At hearing the proposal made by Wang Zhengguang, a deputy from Wensheng, that the state should pay attention to giving support to minority nationality regions, Wang Hanbin said: The state should take the development of the central and western regions very seriously, and consider granting preferential treatment to the old liberated, ethnic minority, border, and impoverished areas in terms of financial policies characterized by more loans to be provided where more deposits are taken, and deposits to be used by depositors themselves to facilitate the economic development in these areas.

Touching on the issue of cultivating markets, Wang Hanbin said: Yunnan may use the approaches employed in other regions for reference, and the government, collectives, and individuals may put in more funds, thereby contributing to the development of the tertiary industry with relatively less investment.

Governor Reviews Yunnan's Economic Development

HK2203112693 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 18 Mar 93

[Text] The upsurge of reform and opening up to the outside world has pushed Yunnan, situated in the border areas of southwest China, from the end to the forward position of reform and opening up. Seizing opportunities and accelerating economic development in the border areas became the heated topics of discussion of Yunnan's deputies attending the First Session of the Eighth National People's Congress [NPC].

He Zhiqiang, governor and deputy to the NPC, felt inspired and encouraged after listening to Premier Li Peng's Government Work Report. When interviewed by a reporter, He Zhiqiang said: We are fully confident of accelerating economic development in Yunnan. Since the nineties, Yunnan has entered a period of comprehensive openness. Guided by the remarks of Comrade Deng Xiaoping made during his south China tour and the spirit of the 14th party congress, the provincial party committee and government definitely put forward the necessity of seizing opportunities, smashing shackles, and expediting economic development. Over the past year, we have begun setting up a number of economic zones, new high-tech development zones, as well as tourist and holiday resorts, at the national and provincial levels in eastern Yunnan. The first Kunming trade fair will be held this August, rapid development has also been attained in Yunnan's border and foreign trades, and an open pattern, oriented to the whole world, which takes the vast southwestern China as a backing, Kunming as a center, the border open cities as forward positions, and Southeast Asia as a focal point, is taking shape.

Touching on how to augment the reserve strength of Yunnan's economic development, He Zhiqiang said:

The foundation of Yunnan's infrastructure facilities, backward communications in particular, is weak, which has seriously restricted development in Yunnan. Hence, during the Eighth Five-Year Plan, Yunnan should lay down a sound foundation, hold fast to construction of infrastructure facilities with stress on communications. Throughout the province, three new railways will be built, six artery highways will be transformed, eight airports will be built or renovated, and navigation routes in the two international rivers comprising the Lanchang Jiang and the Hong He will be opened. At present, the situation in which the entire people of the province is mobilized to go in for infrastructure construction has emerged.

He Zhiqiang told the reporter that we must also note that due to the unitary economic structure, Yunnan's real advantages have not been fully displayed. In the future, apart from exploiting the advantage of tobacco, the key industry, we should also energetically develop such industries as tourism, nonferrous metal processing, machinery, electric power, phosphate chemistry, construction, and building materials so that they will become Yunnan's new pillar industries.

Filled with confidence, He Zhiqiang said in conclusion: We believe that Yunnan's economy will effect an enormous leap forward during the Ninth Five-Year Plan period.

Deputies Discuss Multicandidate Elections

HK2003051593 Beijing ZHONGGUO XINWEN SHE
in Chinese 0716 GMT 19 Mar 93

[By reporters Tian Huiming (3944 1920 2494) and Wang Xiaohui (3769 0879 2547)]

[Text] Beijing 19 Mar (ZHONGGUO XINWEN SHE)—Elections where there are more than one candidate for a seat and losing an election is possible have been the most popular topic during the First Session of the Eighth National People's Congress [NPC], which falls on an general election year in China. The reporters interviewed eight deputies on this issue, and another three deputies graciously declined an interview. One of the interviewees was a candidate nominated by more than 10 deputies in an election where there was more than one candidate for a seat six years before, and was later elected a mayor.

A deputy with a senior professional title talked at length about elections where there were more than one candidate for a seat. He said that elections in that pattern enabled the people to further master the right to select their leading members; the deputy's right to vote would become more real, and the organ of state power would be greatly strengthened.

Concluding his talks, this deputy—who highly appreciated elections where there is more than one candidate for a seat—asked reporters not to disclose his name. He

believed that elections in the aforesaid pattern were in a crucial stage; it would be better to speak less and do more hard work.

When the session of a new tenure of the supreme power organ was convoked ceremoniously, questions about elections where there were more than one candidate for a seat permeated the Great Hall of the People. At the first news conference, five of the 12 questions set out by reporters were connected with that. Deputies who had gone through some ups and downs in elections became the media's targets here.

Sichuan Governor Xiao Yang said bluntly that he now had an intimate knowledge of elections, having lost in some and being elected in others. Surrounded by reporters at the Great Hall of the People, he stated frankly: The existing elections where there are more than one candidate for a seat are not scientific enough.

China first established the principle of elections where there is more than one candidate for a seat in 1979; it was altered into "feasible elections where there is more than one candidate for a seat" in 1982; and the principle of elections where there is more than one candidate for a seat was reaffirmed in 1986. In the elections of the new tenure of people's congresses at five levels that began in the second half of 1992, the elections of deputies to the people's congresses at all levels were conducted after the principle of elections where there is more than one candidate for a seat according to law, with either five or two candidates for a seat.

It was learned that in electing the vice chairmen of the Zhejiang People's Congress Standing Committee, nine candidates were nominated by the presidium or jointly nominated by over 10 deputies, and seven vice chairmen were elected from the aforesaid candidates. In the election of vice governors, out of the nine candidates nominated by the presidium or jointly by over 10 deputies, six vice governors were elected.

Guizhou Provincial People's Congress also adopted the method of elections where there was more than one candidate for a seat in the election of the provincial governor. The result of the election showed that the candidate nominated by the deputies was elected.

Regarding this, a senior NPC official was greatly distressed, and said that it was a mistake in work.

High appreciation, distress, being unscientific, mistake...deputies talked about elections where there were more than one candidate for a seat, and losing an election, in radical words and expressions. It was not until the reporters interviewed Lei Yu, vice chairman of Guangxi Zhuang Autonomous Region, that they witnessed a peaceful state of mind.

Lei Yu said that elections where there were more than one candidate for a seat and losing an election were normal phenomenons, and showed social progress. The fact that deputies apply their due rights to select their

own leading members has reflected the deputies' maturity, as well as China's ever-progressing democracy.

It was learned that Lei Yu was a candidate of the NPC deputy with a joint nomination of over 10 deputies, and was elected through the regional election for deputies to the NPC.

Lei Yu, who was elected regional vice chairman with the highest number of votes, was very glad about it, but did not find it extraordinary. He said that the deputies had elected him with the hope that he would do more work.

As to losing an election, he believed that the deputies proceeded from work requirements, but not the individual. The Chinese people should learn to suit the phenomenon.

In fact, those who have lost the election have gradually magnified their psychological bearing capacity in the course of election. In the wake of former Guizhou Governor Wang Chaowen losing the election, he promptly took the lead in congratulating the new leader. When former Zhejiang Governor Ge Hongsheng learned the electoral results, he promptly expressed his respect for the electoral result, as well as the deputies' will.

This being the case, a vice chairman of a province's people's congress standing committee, who will stay anonymous, stated that those who had lost in elections were not necessarily bad, and those who won in elections were not necessarily perfect. He believed that it was imperative to adhere to the major direction of elections where there are more than one candidate for a seat. In the course of pushing democracy, some people had to pay a price; however, the long-term practice in elections where there are more than one candidate for a seat would make democracy more scientific and the electoral system more complete and perfect in China.

Presently, the 2,978 deputies to the NPC are facing the test of elections and being elected. An analyst said that when elections where there are more than one candidate for a seat and losing an election were no longer a sensitive topic, and the Chinese maintain their peaceful state of mind, democracy in China would mature.

Zou Jiahua on Importance of Speed, Efficiency

OW2003205593 Beijing XINHUA Domestic Service in Chinese 1245 GMT 19 Mar 93

[By correspondents Lin Quangzhi (0407 1639 1807) and Zhao Wei (6392 5898)]

[Text] Beijing, 19 Mar (XINHUA)—While discussing the Government Work Report with the delegation from Inner Mongolia this morning, State Council Vice Premier Zou Jiahua stressed that accelerating economic development must be integrated with raising economic efficiency, and priority should be given to infrastructure in communications and energy resources.

Zou Jiahua said: Presently, consideration is being given everywhere in the country to how to seize opportunities and speed up economic development. Under such circumstances, it is even more necessary to emphasize the integration of speed with efficiency, aimed at greater speed and better results. If we go for speed only and largely stockpile our products and incur serious losses, then speed will have lost its meaning. From now on, we must treat the rate of production and sales as an important indicator for assessing efficiency.

Zou Jiahua pointed out: For economic development, priority must first be given to infrastructure construction in communications and energy resources. The basis for developing the market economy lies in exchange and circulation, while communications constitutes the basis for exchange and circulation. At present, some localities have put forward the view that "big roads means greater prosperity, small roads means less prosperity, expressways mean quicker prosperity and no roads mean no prosperity," which, to a certain extent, reflects the important role played by transportation and communications in economic development.

While touching on developing energy resources, Zou Jiahua said: In this respect, we must further broaden our thinking, demolish the previous closed system, mobilize the initiative of all sides, and try to raise funds through various channels. We can operate in one locality, and also in combination with other localities; we can operate a single trade, and also along with various other trades. Moreover, we can also absorb foreign capital by various means.

During the discussion, some deputies from the Inner Mongolian delegation drew attention to bringing into play the superiority in resources available in border areas to quicken the pace of development in these areas. Zou Jiahua said: We must combine the development of resources with market needs. As far as border areas are concerned, they should not only look at the domestic market, but also keep a close watch on the international market; they should develop an export-oriented economy, and this is also a major advantage of the border areas.

Jilin Deputies Discuss Li Peng Work Report

SK2003130293 Changchun Jilin People's Radio Network in Mandarin 1030 GMT 19 Mar 93

[Text] This morning provincial deputies to the First Session of the Eighth National People's Congress continued to discuss the Government Work Report, the report on the 1992 national economic and social development and on 1993 draft plan, the report on the fulfillment of the 1992 state budgets and on 1993 draft state budgets, and the explanation on the State Council's organizational reform plan at the Jilin hall in the Great Hall of the People. All deputies tried to get the floor and aired their views enthusiastically.

When he took the floor, Gao Yan, deputy secretary of the provincial party committee and governor, said: The next five years will be our country's crucial period for reform, opening up, and modernization. As far as our province is concerned, this period is crucial. The objective proposed by the provincial party committee in line with the guidelines of the 14th CPC Congress last year on working hard for three years to enable our province's economy to enter a new stage more quickly and better is aimed at accelerating development during these five years so as not to disappoint the hopes of the people and to accomplish something.

Deputy Gao Yan stressed: To accelerate development, the crucial issue involved is to make earnest efforts to carry out practical work and grasp the work with strenuous efforts. Making earnest efforts to do practical work is aimed at attaining the following targets: First, we should persist in economic construction as the central task and should never waver in this aspect. Second, we should grasp the key point which means reform and opening up. In expanding the degree of reform and opening up, we must first change our concepts and discard the old concepts, old systems, and old patterns formed under the protracted planned economic system. In deepening reform, we should emphasize in changing mechanism. State large and medium enterprises in particular should enter the market and participate in market competition. It is necessary to implement the enterprise operational decision-making power to the letter in places where needed; accelerate the building of the capital goods markets and the markets of essential production factors such as the banking, technology, and information markets; and create conditions for enterprises to enter the market. Third, we should grasp the weak areas and strengthen the development of funds for communications and transport in an effort to make them meet the needs of development of our province's economic construction. Fourth, we should persist in taking a two-handed approach and be tough with both. While building the material civilization, we should also pay attention to building the socialist spiritual civilization. Currently, we should make special efforts to deal blows to criminals and economic crimes, grasp the building of party style and administrative honesty, check unhealthy trends in various trades, strengthen auditing and supervision work, unceasingly explore, sum up and popularize the new experiences in the anticorruption struggle, and guarantee the smooth progress of our province, reform, opening and modernization.

The discussion meeting was presided over by deputy He Zhukang. Ai Zhisheng, minister of radio, film, and television, and comrades of relevant departments and committees of the state listened to the discussions made by our provincial delegation.

Shandong Delegation on Agricultural Status

SK2003145193 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Mar 93

[Text] At the plenary meeting held by the Shandong delegation to discuss Premier Li Peng's Government

Work Report on the morning of 19 March, Li Zhen, chairman of the provincial people's congress standing committee, pointed out: Agriculture is the basis for stabilizing and developing the entire national economy. It is necessary to pay attention to and strengthen the foundation of agriculture.

In line with Shandong's reality, Li Zhen said according to his own knowledge: To develop the rural economy under the new situation, the most important thing is to push agricultural production onto the path of the socialist market economy. To achieve a great industrial development, we must rely on following the path of market economy. Likewise, we should also rely on following the path of market economy to seek great agricultural development. This is a major issue affecting the overall national economic situation.

Li Zhen pointed out: The practice of rural reform during the past few years fully proved that the key to developing the market-oriented agriculture is to decontrol some aspects. That is, on the premise of guaranteeing the grain ration, grain delivery, and the storage of reserve grain, we should let peasants decide on their own production and operation in line with market demands, decontrol the prices of agricultural and sideline products, and use the pricing lever to regulate production. Decontrol will help to bring invigoration and great development. Once we relax control over peasants, they will take initiative in farming and will become enthusiastic in their work, and agricultural production will be greatly developed. On the other hand, if we exercise rigid control over peasants or make things difficult for them, we will trample agriculture to death and achieve no agricultural development. Judging from the present situation, most farm products have been decontrolled and the results are good.

Li Zhen pointed out: To develop the market-oriented agriculture and to raise the degree of commercialization of agriculture, we must rely on the market and do a good job in grasping the circulation of goods. The current problem of impeded circulation of goods remains prominent. Some peasants complained that they were not worrying about the cultivation of crops or management but about buying and selling. We must accelerate the cultivation and building of the rural market economy in line with the objective of developing socialist large-scale agriculture, large markets, and large circulation of goods; improve the market mechanism; and realistically solve peasants' difficulties in buying and selling.

Li Zhen stressed: The market economy is also an economy ruled by law. It is necessary to improve the legal system and to promote and safeguard the sound development of the market-oriented economy. In this connection, we must strengthen the legislative work and gradually attain the objective that there are laws to abide by in all aspects of rural market economic development. Currently, a failure to observe laws, to enforce laws strictly, and to duly punish the law-breakers is quite common in the rural areas. If we are to improve the market mechanism, establish a good market order, and

safeguard the interests of the producers, managers, and consumers, we must be determined to change this situation, make strenuous efforts to supervise and inspect the implementation of laws, and give simultaneous attention to it as we did in legislative work. Meanwhile, we should also deeply conduct propaganda and education on the legal system in the rural areas, unceasingly enhance the sense of law and the concept on the legal system of the grass-roots cadres and the broad masses of peasants, and enable them to know, understand, and observe laws, and know how to operate and manage their business in line with law and how to use law to safeguard and promote the sound and smooth development of the socialist market-oriented agriculture.

Zhu Rongji Discusses Report With Shanxi Group
OW2003204593 Beijing XINHUA Domestic Service in Chinese 1018 GMT 19 Mar 93

[By RENMIN RIBAO reporter Mi Bohua (4717 0590 5478) and XINHUA reporter Chi Maohua (3069 5399 5363)]

[Text] Beijing, 19 Mar (XINHUA)—Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier, went to the Shanxi delegation this morning to discuss the Government Work Report with its deputies. The deputies were very eager to speak at the gathering, and the atmosphere was lively. Zhu Rongji conversed with the deputies from time to time. He said: Your views represent those of the grass roots and the first line. They are very sincere, frank, and truthful.

Speaking of the ranks of teachers, Bai Feng, a deputy from Taiyuan's Fifth Middle School, said: To raise education to a new stage of development, we must deal with the great impact of society on schools. I do not agree that teachers should take up sideline occupations. The state should adopt effective measures to stabilize the ranks of teachers.

Shanxi is an energy, chemical, and heavy industrial base. Mao Weidong, a deputy from Taiyuan Railway Subbureau, said: Vice Premier Zhu Rongji asked us to transport more coal during his inspections of Shanxi on two previous occasions. We have accomplished this glorious but arduous task. However, our railway facilities are aging, and the transport capacity is not sufficient. The problems are quite acute. In his work report, Premier Li Peng stressed the need to speed up railway construction. This is entirely correct, and we have been greatly inspired by his report.

South Shanxi is the province's grain and cotton producing region. Deputy Wu Ang, commissioner of Yuncheng Prefecture, said: Despite good agricultural production, the situation is still grim. However, some people have underestimated this situation and have become overly optimistic. Some peasants are unwilling to grow grain, believing that the more grain they grow, the poorer they become. We must genuinely attach

importance to agricultural problems and take measures to arouse the peasants' initiative.

Thirteen deputies spoke at the Shanxi delegation's meeting today.

After the deputies had spoken, Zhu Rongji expressed his views on attaching more importance to education, narrowing regional gaps, and promoting economic development in central and west China.

Cites Deng on Developing Regions

HK1903140893 Beijing ZHONGGUO XINWEN SHE in English 1353 GMT 19 Mar 93

[Text] Beijing, March 19 (CNS)—Vice Premier of the State Council, Mr. Zhu Rongji, meeting the Shanxi delegation to the NPC today, said that Deng Xiaoping attached much importance to the development of central and western China, and that he had given many instructions on concrete measures to be taken to allow the inland provinces to develop and become wealthier in line with the coastal regions.

Mr. Zhu said that there were three points regarding the development of these regions. First, there must be a speeding up of price reform. The central and western regions of China are very rich in raw materials and minerals and the prices of these products should be opened up as soon as possible.

Second, there must be greater development of communications and transportation in China's west. He said that the construction of railways, highways, civil aviation and port and water transportation must be greatly developed. Only when infrastructural facilities in the cities are in place can other development follow and technology and administration be upgraded.

Third, there must be a speeding up of township enterprises in these regions and Mr. Zhu urged state-run enterprises there to link up with township enterprises. There needs to be investment in township enterprises to help them upgrade their production and technological standards and develop the processing of raw materials and mineral products.

Ren Jianxin, Shanxi Deputies View Legal System
OW2003112793 Beijing XINHUA Domestic Service in Chinese 0247 GMT 19 Mar 93

[By reporter Chi Maohua (3069 5399 5363)]

[Text] Beijing, 19 Mar (XINHUA)—At a group discussion attended by deputies from Shanxi, deputy Ren Jianxin, member of the Secretariat of the CPC Central Committee, secretary of the Political Science and Law Committee under the CPC Central Committee, and president of the Supreme People's Court, said: The construction of socialist legal system and the establishment of socialist market economy are inseparable.

Without a sound socialist legal system, there will be no fine order of socialist market economy.

Ren Jianxin said: The 14th National CPC Congress put forward the proposal of accelerating the pace of reform, opening up, and modernization. This, in turn, has required us to build a new and better legal system.

He said: The market economy has complicated relations with property rights, management, exchange, and benefits. The market economy simply can not have a healthy growth and normal operation if the responsibilities, rights, and obligations of the main bodies in these complicated economic relations are not regulated and protected by corresponding laws. As more and more new situations and problems are cropping up in economic activities, a batch of laws and regulations, designed to regulate the activities of the main bodies of the market and the order of the market economy, as well as to strengthen macroeconomic control, should be formulated with all speed in accordance with the requirements of building a socialist market economy. At the same time, some laws and regulations, which fail to meet the need of socialist market development, should be screened, amended, supplemented, or replaced by new ones. By strengthening our legislative work, we can establish a system of laws and regulations suitable to the situation in China to administer the market.

Ren Jianxin said: At present, one of the outstanding tasks for improving the legal system is to further strengthen law-enforcement work. We have achieved great progress in law-enforcement work in recent years. But problems still exist in some localities, in some aspects, and to some extent. At times, people fail to follow the law or do not enforce it to the letter. The more progress we make in reform and opening up, the more we should emphasize the dignity and uniformity of the law, the seriousness of law-enforcement, and the authority of the legal system. In establishing and developing socialist market economy, it is necessary for us to shatter the barriers between different departments and regions and form with all speed a unified open market across the country. Therefore, it is imperative for all localities, departments, and law-enforcing organs to adopt an overall point of view and resolutely oppose regional protectionism and departmentalism. They should handle affairs according to the law and fairly protect the legal rights of the parties concerned. As an important law-enforcement organ, public security, procuratorial, and judicial departments should undertake self-reform and construction, strictly abide by and carry out the law. Conscientious efforts should be made to ensure that "laws already enacted are observed and enforced to the letter and that violators are brought to justice."

He expressed his hopes that people's congresses at all levels would pay more attention and give more support to the work of public security, procuratorial, and judicial departments, that they would supervise them, and that they would provide opinions and suggestions in timely fashion about the work of public security, procuratorial,

and judicial departments. He said that in this way, all these departments would continuously improve their work and better serve the undertakings of reform, opening up, and socialist modernization.

Report on Interview With Gyancain Norbu

OW2303014093 Beijing XINHUA Domestic Service in Chinese 1054 GMT 19 Mar 93

[Report on interview with Deputy Gyancain Norbu, chairman of the Tibet Autonomous Region, by XINHUA reporters Wang Jinfu (3076 6855 4395) and Luobuciren (5012 1580 2945 0088)]

[Text] Beijing, 19 Mar (XINHUA)—The land called the "Roof of the World" is also at the "bottom" of China's economic development—this is the Tibet we see today.

Gyancain Norbu, a deputy to the National People's Congress [NPC] and chairman of the Tibet Autonomous Region government, explained the meaning of "bottom." From 1985 to 1991, the national GNP rose an average of 7.7 percent per year, but that of Tibet was only 3.5 percent; in 1991, the average per capita income of peasants and herdsmen in other national autonomous areas was also higher than that of Tibet. "Judging from development trends, the gap has gradually widened, instead of narrowing." Gyancain Norbu was positive and sincere, yet he showed signs of worry and misgiving.

The "veteran Tibetan," who has worked in the highlands for over 40 years since he moved to Tibet from Sichuan in the fifties, has tied his fate to the prosperity or decline of the vast land of Tibet. The reality of being temporarily backward is not terrifying, but what is terrifying is the loss of confidence in advancing. "The people of the highlands are fully confident of their future." Gyancain Norbu, who is also confident of this point, said this with curt finality.

In fact, a series of great changes which have taken place in the highlands in recent years have enabled the people of Tibet to see the light of dawn. Gyancain Norbu said that in 1992, Tibet's revenue income exceeded 100 million yuan, the highest in the history of the autonomous region. Agricultural production advanced by leaps and bounds. With total grain output reaching 600,000 metric tons, the problem of food and clothing for the majority of peasants and herdsmen was solved. The pace of industrial production was accelerated. The autonomous region's total industrial output value reached 436 million yuan.

After enjoying rapid development, the tertiary industry has already captured a 36 percent share of all industry and become an important part of Tibet's economy; and the tourism industry has enjoyed development with good momentum, posting 37.4 percent growth in foreign exchange earnings over last year's level. We made important progress in the construction of energy, transportation, communications, and other infrastructure projects. Construction of a number of key projects, such as the

110,000-volt high voltage power transmission line between Yamzho Yumco Lake and the Gonggar airport; the principal part of the Gonggar Airport expansion project; the first phase renovation project of the China-Nepal Highway; and so forth, were completed. We made smooth progress in construction of the comprehensive development project for the "Yarlung Zangbo Jiang, Lhasa He, and Nian Qu He" river valley; sped up the first phase project for repair of the Chuangzang [Sichuan-Tibet] Highway and the Qingzang [Qinghai-Tibet] Highway; and are making smooth progress in the construction of the Luobusa Iron Mine project and the Bamda Airport project.

Tibet has been in existence in a corner of the earth since time immemorial, and had no contact with the outside world for years. So far as it is concerned, the greatest change it has undergone is that it has opened its doors to the outside world and received baptism by the tide of reform. "Opening to the outside world is the only choice for Tibet to enjoy development." Gyaincain Norbu looked very excited when he touched on the issue. He told us that, last year, Tibet received \$30 million in aid from the international community; set up six Chinese-foreign joint ventures, cooperative enterprises, and enterprises solely owned by foreign businessmen; negotiated 63 cooperation projects with hinterland provinces and municipalities; and established 17 enterprises outside the autonomous region which are either under joint operation with other areas or are solely owned by Tibet, in its endeavor to introduce investment from abroad and establish lateral ties at home. At present, all people throughout the region have reached a common understanding on "promoting development through opening up." A situation of omnidirectional opening up at various levels is taking initial shape on the snow-clad plateau.

Opening to the outside world has invigorated the age-old plateau; and it is precisely through the open doors that the people living on the plateau catch sight of the opportunity coming their way. In this connection, Gyaincain Norbu said: Tibet is facing its best opportunity for development in history. The tide of opening to the outside world has not only enhanced the attractiveness of Tibet's abundant resources, but has also brought about a change in the Tibetan people's concepts. The 2.28 million Tibetan people stand at a new starting line. After construction of a series of key state and autonomous region projects are completed, they will play a role in giving tremendous impetus to the economic development of Tibet. A prelude to border areas' opening up to the outside world has already begun. The 10 border counties and cities of Tibet will be changed from terminals of China's economy into forward positions of opening up to South Asia.

"So long as we seize this golden opportunity, the plateau will emerge from economic backwardness very soon," said Gyaincain Norbu with full confidence.

Bo Yibo Son on 'Party of Princelings' Claims

HK2003052993 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 93 p 10

[By Chris Yeung]

[Text] Mr Bo Xilai, son of the party elder, Mr Bo Yibo yesterday hit out at criticism against the influence of the so-called "party of princelings" in China.

Instead, the Mayor of Dalian claimed that his family ties had posed more pressure and inconvenience for him in his job, prompting him to strive to do a better job.

Mr Bo, now attending the NPC, maintained that the first impression of his countrymen to the princelings, or children of the party elders, had not been "positive".

"Delegates will not accept me if my work has not been recognised."

He dismissed reports that the princelings had become a "party" in China, citing the fact that they have no party platform and organisation.

Mr Bo said it was just a fantasy to talk of a princelings' party.

He added: "People outside have had a wrong impression on the so-called 'party of princelings'.

"Even in foreign countries like the United States, Europe and places like Taiwan, it's natural for children of politicians to follow the path of their parents."

The brother of the Mayor, Mr Bo Xicheng, had made headlines earlier for leaving the Government to do business.

Mr Bo Xilai said he would stay with the Dalian Government, at least for the present five-year term, which he described as being both a "housekeeper and a enterprise manager".

"I see my job as taking part in politics but not being a politician."

"My job is like being a housekeeper dealing with things like the building of roads and bridges."

"On the other hand, I'm also in charge of the enterprises under the Government. In that regard, I'm the manager of an enterprise," said Mr Bo, now 45.

Mr Bo said his father, Mr Bo Yibo remained in good health.

Education Head Discusses Students' 'Sentiments'

HK2003042893 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 93 p 10

[By Chris Yeung in Beijing]

[Text] Education chief Mr Li Tieying has indicated that the sentiments of college students in China have been "stabilised" after the turmoils of June 4, 1989.

And education reforms are being promoted to dovetail with the economic reforms spearheaded by patriarch Mr Deng Xiaoping.

Speaking to the South China Morning Post after attending a group of parliamentarians from Hunan, Mr Li also confirmed that the State Education Commission had abolished the compulsory one-year military training for freshmen at Beijing University and a few other institutes of higher learning.

Mr Li, who is also a politburo member, indicated that the Draconian measure had been done away with to meet the "new circumstances of the country".

Military training, which was introduced after the June 4 crackdown, had become a focal point of discontent at Beijing University.

At another group discussion with Jilin delegates yesterday, Mr Li, also a State Councillor, said education development was faced with new challenges under "new circumstances," China's catchphrase for the development of a "socialist market economy."

"There are lots of problems over how the education development should adjust to the new circumstances and serve economic construction," he said.

According to reports on the group discussion, Mr Li said the existing education systems, models, and practices had been a product of the highly-centralised planned economic system.

"As we are now moving towards the development of a market economy, it is bound to bring about some far-reaching changes.

"Reforms to the political system and the system for science and technology will also pose demands for changes in the education system," he said.

Mr Li said education development was the basis for the grooming of talented people and the improvement of science and technology, which was instrumental for China's modernisations.

Mr Li indicated that the problems of lack of funds for schools and the quality and quantity of teaching staff remained unresolved.

At another discussion with Hainan Province delegates, Mr Li said the problem of overcharging of school fees had drawn strong response from the society.

He stressed that schools had to stick to the standard of school fees laid down by the government.

On the worrisome trend that university students had engaged in commercial activities, Mr Li maintained that students should concentrate on their studies during school sessions.

Likewise, he said teachers should also refrain from "moonlighting" so they could spend more time with students.

The crux of the matter was the income of teachers, which was still lower when compared with other workers, he said, adding that the government should increase funding to help solve the problem.

Tian Jiyun, Zou Jiahua Meet Various Delegations
OW2103055893 Beijing XINHUA Domestic Service in Chinese 1423 GMT 20 Mar 93

[Text] Beijing, 20 Mar (XINHUA)—During the course of deliberating the Government Work Report over the last few days, the deputies attending the First Session of the Eighth National People's Congress [NPC] discussed how to step up the building of socialist spiritual civilization and strengthen democracy and the legal system. The deputies pointed out one after another that spiritual civilization is an important content of socialism with Chinese characteristics and is an important guarantee for a smooth proceeding of reform and economic construction. During the entire course of modernization, we must always persist in building both material and spiritual civilizations and attach equal importance to both.

Tian Jiyun, Zou Jiahua, Li Guixian, and Chen Junsheng separately joined the Sichuan, Henan, and Heilongjiang delegations in deliberating the Government Work Report and listened to deputies' opinions.

The deputies discussed the strategy of undertaking reform, opening up, economic construction, and the building of material civilization on the one hand and of engaging in combating crimes, strengthening democracy and the legal system, and building spiritual civilization on the other. Many of them described the strategy as a Marxist understanding of the law of development of socialist society, a thorough summing up of historical experience, and a realistic necessity to promoting social and economic development. Reporter Chi Maohua quoted Zhejiang Deputy Ge Hongsheng as saying: How to develop the economy is a fundamental issue. If no progress is made in economic development, we will be unable to accomplish other things either. To establish a socialist market economy, we must step up the building of socialist spiritual civilization, strengthen the legal system, and punish corruption. Failure to build both civilizations will affect economic construction and even ruin our cause. According to a report by reporter Luo Yuwen, many deputies from the People's Liberation Army pointed out: A strong spiritual prop and an effective ideological and political guarantee are indispensable to economic development. We should carry forward the

fine traditions of the Chinese nation, strengthen democracy and the legal system, promote cultural undertakings, enhance the cohesion capability of the people, and create a good social environment for the modernization program.

An important point that the deputies were pondering was how to best handle the relationship between the two civilizations so as to truly enhance understanding and perform actual deeds in their building. During the discussion, many deputies shared the view that the establishment of a socialist market economy and the strengthening of the legal system must be done simultaneously. According to a report by reporter Chen Yan (7115 7159) from the Jiangsu delegation, Jiangsu Deputy Zhang Yaohua holds that market is not only the environment for the survival and development of enterprises, but also the converging point of multilevel interests of the state, localities, enterprises, and individuals. Since market activities are constantly changing, they must be governed by laws and regulations; otherwise, it will be difficult to maintain a normal order and likely to create blindness, speculation, and other negative phenomena; cause economic disorder; and affect economic development, social stability, and people's livelihood. According to report by reporter Liu Guangnui, the small group headed by Xinjiang Deputy Mijiti Hudabai erdi said: With the development of socialist market economy, many phenomena that affect economic and social stability are on the rise. For instance, "money" to some people has become a pass to everything; money can buy anything and can even help people escape legal punishment. We must strengthen legislation and law enforcement for the sake of the market economy and ensure sound economic and social development.

Some deputies discussed how to promote reform, opening up, and economic construction and proposed that we must attach great importance to public order and make comprehensive efforts to improve it. According to a report by reporter Sun Jie from the Henan delegation, Deputy Zhang Zhigang pointed out during the discussion: If a locality lacks law and order, the people there will have no sense of security and will devote less energies to economic construction. The lack of normal public order in a locality will make the local investment environment less attractive, and some foreign investors will shun the place no matter how good the local hard environment is. For this reason, we must make great efforts and adopt effective measures to firmly ensure good public order. Good public order is necessary to national development and is also the people's sincere aspiration.

While we stress the necessity to act according to the law of economics and emphasize competition under the conditions of commodity economy, should we continue to emphasize moral standards and people's moral character? The deputies' answer to this question is positive. According to report by reporter Fang Zhengjun, Hubei Deputy Wen Guanghui said that in the present social

and economic environment, it is still necessary to advocate the spirit of dedication, stress unity and cooperation, promote honesty, and foster a prevailing practice of everyone going all out to make progress. Heilongjiang Deputy Shan Rongfan pointed out: It is necessary to carry out flexible and diversified day-to-day propaganda and ideological and political work. Intellectual products should be diversified and healthy with rich contents and good taste, and they should help enhance the degree of civilization of the whole society.

Chen Xitong Supports Beijing's Bid for Olympics

OW2303131493 Beijing XINHUA Domestic Service in Chinese 1340 GMT 20 Mar 93

[By reporter Xu Renjie (1776 0088 2638)]

[Text] Beijing, 20 Mar (XINHUA)—Over the past several days, deputies attending the first session of the Eighth National People's Congress [NPC] have expressed in various forms their support for Beijing to host the Olympic Games.

On 15 March, Premier Li Peng delivered the Government Work Report at the Great Hall of the People. When he said "the Chinese Government supports Beijing's bid to host the Olympic Games in 2000, and to this end we will do everything necessary within our power," the deputies responded with warm applause for an extended time to express their support for Beijing's bid to host the Olympic Games. Raidi, chairman of the Tibetan Autonomous Regional People's Congress Standing Committee who had come from "the roof of the world," located Wan Siquan, secretary general of the Beijing Olympic Games Bidding Committee [BOBICO], telling him that Tibetan compatriots ardently wish Beijing success in the bid.

On 19 March, BOBICO Executive Chairman Wu Shaozu was invited by the Beijing delegation to brief the deputies on how the bidding was going on.

Jiang Xiaoke, a Beijing deputy who has worked for Beijing's environmental protection for a long period, was very optimistic of Beijing's success in its bid to host the Olympic Games. In a proposed bill she said: Beijing is the capital of our great motherland, the nation's political and cultural center, and China's important window to the world. Beijing's bid to host the Olympic Games in the year 2000 is consonant with popular sentiment and accord with public aspiration. The bill, which was submitted to the congress by Beijing deputies, was enthusiastically signed by Beijing's Party Secretary Chen Xitong, Mayor Li Qiyuan, and other leading cadres; by Yu Shizhi, Yang Mo, and other celebrities in the cultural and art circles; by Xie Jun, the youngest member of the presidium of the first session of the Eighth NPC and "world chess queen"; and by deputies from the economic circles, colleges and universities, and grassroots units of society.

No Financial Control Hampers Factory Managers
HK2003052093 Hong Kong SOUTH CHINA
MORNING POST in English 20 Mar 93 p 10

[By Geoffrey Crothall in Beijing]

[Text] Despite government commitments to grant state-run enterprises greater autonomy, enterprise managers say they are still hampered by administrative controls and bureaucratic red tape.

The key problem, according to Mr Huang Guancong of the Shanghai No 2 Textile Machinery Plant, is that enterprises do not yet have the right to make their own investment decisions.

Shareholding companies such as Shanghai No 2 can utilise their own funds for investment but if they need government loans they have to go through a highly complex and time-consuming approval process, Mr Huang said.

"First, we have to complete a feasibility study, then apply to the higher authorities for approval," he said.

If enterprises are to be truly autonomous they should be allowed to make their own decisions and apply for credit on a purely commercial basis, he added.

Mr Huang's comments were echoed by the director of the Lanzhou Chemical Works, Mr Guo Xilian, who pointed out that his plant needed massive investment to upgrade its technology and improve production but the money could only come from the Government.

"This process can take a very long time and the red tape can be terrible," Mr Guo said.

Mr Guo, one of four managers taking part in a press conference organised by the NPC yesterday, said he was "encouraged" by government proposals to reduce the role of the administration in enterprise management. But he suspected the process would take a long time.

The head of the Panzhihua Iron and Steel Complex, Mr Zhao Zhongyu, was also sceptical.

"I will be satisfied if the proposals put forward by (Secretary-General of the State Council) Mr Luo Gan in his report to the NPC can be put into practice.

"But again this will not be a simple matter," he said.

Mr Zhao said the administration should stay out of enterprise management, acting only as the legal representative of the company and providing "overall guidance" to the industry as a whole.

Apart from being granted the right to make autonomous investment decisions, enterprises should also be allowed to directly engage in trade, without having to go through government-sponsored trade corporations, Mr Yang Guang of the Guizhou Aluminium Smelter Plant added.

"We do a lot of import and export work so we must be granted autonomy in this area," Mr Yang said.

The managers, who are all NPC deputies, stopped short of directly criticising the Government, saying the "direction" of the state council's policies on enterprise reform was correct.

However, it was clear the managers were not happy with the speed with which that reform was being carried out.

Analysts said the managers were being asked by the Government to reform their enterprise structure but were not being given the tools to do so.

Fujian Deputies Discuss Li Peng Work Report

OW2203051893 Beijing XINHUA Domestic Service in Chinese 0947 GMT 20 Mar 93

[By reporters Cai Guicun (5591 3802 2625) and Chen Yan (7115 7159)]

[Text] Beijing, 20 Mar (XINHUA)—This morning, Zhu Rongji, member of the CPC Central Committee Political Bureau Standing Committee and vice premier of the State Council, arrived at the Fujian Room of the Great Hall of the People to deliberate on the Government Work Report with deputies from Fujian to the First Session of the Eighth National People's Congress. He also heard their views on the report.

In his speech, Deputy Huang Changxi said: Some of the current laws and regulations no longer serve the needs of a socialist market economy. It is recommended that an additional passage be included in the government work report: Laws, regulations, and documents that no longer meet the needs of economic development should be reviewed, and laws and regulations that are suited to economic development should be formulated as quickly as possible.

In his speech, Deputy Jia Qinglin, governor of Fujian Province, said: Fujian conducted the most intense reform efforts, introduced the most foreign capital, and achieved the fastest pace of economic development in 1992. The province's gross provincial product grew by 27.7 percent, twice the average growth rate of the previous 13 years. This rapid growth rate was sound and reasonable. The Government Work Report states: We should seize opportunities to accelerate reform, opening up, and modernization in order to raise the national economy to another new level. At present, we should improve our sense regarding opportunities and development in an effort to achieve greater economic development.

In their speeches, Deputies Huang Xiaojing, Tang Jinhua, and Li Kemin, respectively from Longyan, Ningde, and Nanping Prefectures, said emphatically: Opportunities are particularly important to revolutionary base areas, impoverished areas, and mountainous regions. They maintained: All localities should take account of

their own conditions and embrace opportunities to promote development through opening up. They also noted: As called for in the government work report, it is imperative to continue to promote the spirit of hard work. Apart from relying on state assistance, poverty-ridden areas should pursue development mainly through their own efforts.

Deputies Xu Kairui, Hong Yongshi, Han Yulin, and Li Damu, respectively from the relatively economically developed cities of Putian, Xiamen, Zhangzhou, and Quanzhou, specifically discussed the need to emancipate minds and change mentalities during economic development.

After listening to the deputies' remarks, Zhu Rongji said: I am very glad to be here, on behalf of the State Council, to hear the views of Fujian deputies on the government work report. My thanks to all for relaying the views of the grass-roots level. These views are very good and relevant; the State Council must consider them thoroughly. He also expressed his views on organizational reform and on how to embrace opportunities to speed up economic development.

Ding Guangen on Propaganda, Ideological Work

OW2203083293 Beijing XINHUA Domestic Service in Chinese 0758 GMT 20 Mar 93

[By reporter Zhang Yinsu (1728 6892 5002)]

[Text] Beijing, 20 Mar (XINHUA)—While deliberating on the Government Work Report with National People's Congress [NPC] deputies from Shaanxi, Ding Guangen, member of the Political Bureau and Secretariat of the CPC Central Committee and head of the its Propaganda Department, said: We must intensify propaganda and ideological work, which constitute important fronts that have a close bearing on the whole situation. A socialist society with Chinese characteristics is one in which both spiritual construction and material construction have been successfully launched.

Ding Guangen stressed: Propaganda and ideological work are particularly important at a time when the country is accelerating its pace of reform and opening up and building a socialist market economic system. We must always act firmly in these two areas. The further we proceed in carrying out reform and opening up to the outside world, the more we must mobilize and rally the masses, and the greater attention we should pay to propaganda and ideological work.

Ding Guangen said: Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics must always be the guidance for propaganda and ideological work, and the most important task for propaganda and ideological workers is to arm all party members with this theory. In accordance with the Central Committee's requirements, propaganda and ideological workers must persist in educating the public on the theory of building socialism with Chinese characteristics and the party's

basic line. They must intensify the work of educating the public on patriotism, collectivism, and socialism; and on correct ideals, convictions, and the concept of life and values. We should unequivocally and energetically promote wholesome, lively, and colorful ideological, political, and cultural activities and use spiritual products of high taste to elevate people's ideological realm and refine their temperament. We must reject, denounce, and correct wrong doings and evils. We must guard our society against the spreading of such misbehavior as seeking benefits at the expense of others, doing everything for money, placing money above everything else, and cheating one another. We must combat such irregularities as indulging in lavish food and drink, acting as big spenders, going in for ostentation and extravagance, and squandering state money. We must promote the fine traditions of plain living and building our country diligently and economically.

Ding Guangen said: Propaganda and ideological work must serve the people wholeheartedly, consider the people's interests in every way, and gear us to the needs of the masses and practical needs of grass-roots units. We must earnestly listen to the masses' views, reflect their wishes, and answer the questions that they care about most. Propaganda and ideological workers must see things through the masses' perspective and earnestly improve their thinking as well as their specific ways and means of doing their work.

Ding Guangen stressed: Propaganda and ideological work must be able to constantly provide reform, opening up, and modernization with spiritual force, intellectual support, ideological assurance, and a favorable environment for public opinion. During the course of reform, opening up, and modernization, propaganda and ideological work should also be able to nurture and foster public ethics and social awareness compatible with the features of the time, as well as produce a new generation of educated people with lofty ideas and a high sense of ethics and discipline. This is the objective of our socialist spiritual construction.

Automotive Industries Face Challenges

*OW2103143593 Beijing XINHUA in English 1359
GMT 21 Mar 93*

[Text] Beijing, March 21 (XINHUA)—China's automotive industry, which is planned to be a pillar of the national economy, faces both "challenges and opportunities," according to deputies to the National People's Congress coming from the automotive sector.

Premier Li Peng, in delivering his government work report to the NPC opening session, cited carmaking as one of the four pillars-to-be of the Chinese economy, the other three being machine-building/electronics, petrochemicals and construction.

"This has raised new requirements as well as new hopes for the automotive industry," said Cai Shiqing, general

manager of the China National Automotive Industrial Corporation, who is here attending the annual NPC session.

Compared with leading carmaking nations, China's automotive industry is still young, making poorer quality products, asking for higher prices, and lacking economies of scale. To complicate the situation, the industry might be hit by repercussions arising from China's expected return to the General Agreement on Tariffs and Trade (GATT).

That is why Cai said the industry is facing "serious challenges as well as a good opportunity for rapid growth."

Greater economic growth will call for corresponding development of communications, of which road transportation is an important aspect, he said. Currently, China has no more than seven million motor vehicles in total, and the yearly output of over one million falls far short of demand, with automobiles and utility trucks being particularly popular.

Meanwhile, development of the automotive industry will promote the expansion of the industries of metallurgy, rubber-making, petrochemicals and electronics, he said. "Therefore, rapid economic growth cries out for carmaking to be a pillar of the national economy, and this means the biggest opportunity ever for the industry."

As for how China's automotive industry, undoubtedly a late comer, can expect to develop in fierce international competition, Geng Zhaojie, general manager of the Changchun No. 1 Automotive Co. (Group), called participation in international competition "the only way for fast growth."

He went on to raise a four-point proposal: 1) Products of superior quality should be chosen for suitable foreign markets. For example, Southeast Asia and Africa can be potential markets for Chinese trucks, which are inexpensive and highly adaptable. 2) China's cheap labor should be fully utilized for low cost, but the advantage is at present offset by poor management and small scale of production. 3) Foreign cooperation, in the form of joint ventures and cooperative businesses, should be used to introduce advanced technology and managerial expertise with a view to opening up international markets. 4) The state should give help to competitive, big-sized enterprises and allow them to form conglomerates for achieving economies of scale. The country's automotive industry currently suffers from "low grade and poor quality of products, and a scattered distribution of plants."

Last year, China produced a total of 1.08 million vehicles. Out of the more than 200 automotive enterprises, only 20 have a capacity of producing more than 10,000 units a year each.

To make the automotive industry a pillar of the national economy, the deputies said, it is necessary to unload the burden of carmakers and give them real autonomy.

According to Ma Yue, general manager the Dongfeng Automotive Plant, automotive enterprises bear too much social burden at present.

Geng Zhaojie said enterprises so far have not much decision-making powers on investment, import and export, and fund-raising, rights which are "crucial" for invigorating enterprises.

Geng called for introducing the shareholding system to state enterprises to clarify property rights.

"In doing so," he said, "Enterprises may become truly independent, able to assume sole responsibility for their own profits and losses and meet challenges on the market."

At present, nine automotive bases have taken shape in China.

Deputies said, through joint-venturing, adjustment of the product mix and introduction of foreign management expertise in recent years, a foundation has been laid for China's automotive industry becoming a pillar of its economy.

Li Guixian, Henan Delegates on Finances

OW2303060993 Beijing XINHUA Domestic Service in Chinese 1508 GMT 21 Mar 93

[By reporters Xie Guoji (6043 0948 6068) and Sun Jie (1327 2638)]

[Text] Beijing, 21 Mar (XINHUA)—State Councillor Li Guixian joined a discussion with the Henan delegation to the First Session of the Eighth National People's Congress [NPC]. He said that the overall financial situation of China is good and that its currency is stable.

Li Guixian said: Last year's monetary issue conformed to the trends of accelerated economic development, reform, and opening up and to the degree of commodity price increases. The 1992 GNP rose 12.8 percent, which was 5.8 percent higher than the 1991 increase; retail commodity prices increased 5.4 percent, which was 2.5 percent higher than the 1991 increase. The combination of the two was 8.3 percent higher than that of 1991. We should particularly notice that the secondary industry, which played the major role in promoting China's economic development last year, rapidly grew 20.8 percent, and its degree of monetization is much higher than the primary industry. Moreover, last year's increase of urban workers' living expenses exceeded the increase of retail commodity prices. These facts further increased the demand for cash.

Li Guixian said: The situation of cash withdrawal shows that 1992 retail sales rose 15.7 percent, which was only

2.5 percent higher than the 1991 increase. So, commodity cash withdrawal is normal. However, the increase of savings deposits was smaller than before.

Li Guixian said: With the deepening of reform in all fields, fundamental changes have taken place in China's monetary issue and withdrawal mechanisms. Under the traditional system of planned economy, the amounts of monetary issue and withdrawal could be set by state planning because the state planning was in control of every aspect of the economic life. So, the results of monetary issue and withdrawal were roughly the same as the planned targets. Since the start of reform and opening up, the operational mechanisms of major economic organizations have drastically changed. The monetary issue and withdrawal now are increasingly affected by the free behavior of enterprises and individual savings account holders and can no longer be controlled with traditional administrative means. At present, enterprises hold 50 million accounts in the industry and commerce banks and the agricultural banks alone. The two banking systems also maintain 685 million savings accounts. As of the end of 1992, the banks absorbed saving deposits exceeding 2 trillion yuan. The enterprises and individual account holders are in control of their deposits and can withdraw them at any time. If 1 percent of the deposits is withdrawn, the banks must prepare more than 20 billion yuan of cash. The fundamental changes in the monetary issue and withdrawal mechanisms and various unpredictable factors have led to greater variance between the monetary issue plan and actual results of execution in most years of reform and opening up.

Li Guixian said: The Central Bank, as a department in charge of monetary issue, should play a positive role in regulating and controlling total cash issue by means of credit and interest rates. The practice in recent years has shown that the regulation and control of total monetary issue must be integrated with macroeconomic control. In particular, the excessive increase of investment in fixed assets and the improper increase of consumption funds in the society must be kept under control.

Jiang Chunyun on Shandong's Development Speed
OW2303030093 Beijing Central People's Radio
Network in Mandarin 1030 GMT 21 Mar 93

[Interview with Jiang Chunyun, member of the CPC Central Committee Political Bureau and secretary of the Shandong provincial party committee, by station reporter Xu Fangming; date, place not given; from the "National Hookup" program—recorded]

[Text] [Xu] Comrade Jiang Chunyun, would you please discuss the issue of grasping opportunities to accelerate development?

[Jiang] Accelerating development is a firm and major principle, and the most important thing. Moreover, we now have the conditions for accelerating development. In light of the situation at home and abroad, an excellent

opportunity for development has arisen for us. The international environment is favorable for us to accelerate development. In view of the situation at home, after more than a decade of reform and opening up, our economy has continued to make great progress, and a solid foundation has been established. The Government Work Report proposes raising the annual average growth rate of the GNP from 6 percent to 8-9 percent; it is totally realizable as far as Shandong is concerned. Shandong's annual average growth rate was over 11 percent in the past 12 years. The growth rate averaged 15.8 percent in the past two years, and we achieved a (11.5)-percent growth rate last year. These growth rates were fast. I believe that in the future, we can achieve what we attained in the past.

[Xu] Faced with opportunities, what will Shandong Province do as it carries out the next step in accelerating development?

[Jiang] First, we should further deepen reform so as to bring new, vital opportunities for economic development. We should quicken the pace of reform in accordance with the general goal of establishing a market economy as set forth at the 14th CPC National Congress, in order to accelerate reform of the ownership system and promote reform of enterprises—superior enterprises—and the scientific and technological system. Second, we should further expand the scale of opening up and further integrate Shandong's economy with the international market. Third, we should apply science and technology in production, vigorously promote scientific and technological projects, and use technological means to update and strengthen existing enterprises. We should concentrate all investments on continuing to reform and strengthen our existing enterprises. Fourth, we should adjust the economic structure on a large scale. We should concentrate on accomplishing [words indistinct] in our economy. We should strengthen three foundations—the status of agriculture as the foundation of the national economy, basic agriculture, and basic industries. We should concentrate our efforts on developing an export-oriented economy, tertiary industry, and scientific and technological ventures; we should score a breakthrough in developing these three major sectors. Next, we should set up a host of [words indistinct] while focusing on Shandong's construction and the opening up of [words indistinct]. After we adjust Shandong's economic structure, an economic boom in Shandong will be assured.

Ren Jianxin Joins Shanxi Group Discussion

OW2303062393 Beijing XINHUA Domestic Service in Chinese 1406 GMT 21 Mar 93

[“Feature” by XINHUA reporter Chi Maohua (3069 5399 5363)]

[Text] Beijing, 21 Mar (XINHUA)—“Since it is the party and the people who want me to act as governor, I must speak for the people, do something for the people,

and handle matters in accordance with the principle of serving the people!" These were remarks made by Deputy Hu Fuguo at a group discussion held by the Shanxi delegation.

During the meeting, when Ren Jianxin, member of the CPC Central Committee Secretariat, secretary of the Central Political and Legal Commission, and president of the Supreme People's Court, spoke of strengthening the building of the socialist legal system to guarantee the smooth progress of socialist modernization, Hu Fuguo had something to say with emotion. After narrating how the director of the public security bureau of a county in Shanxi abused power, violated discipline, and broke laws, he suddenly stood up and said: "The provincial party committee and government attached great importance to the matter. Some cadres did not say anything about it. Some others even interceded for him. I will personally look into this matter. None can plead for mercy for him!"

Ren Jianxin also said with emotion: "You are right! If a government official does not support the people, he might as well go back home to sell sweet potatoes. We must see to it that all laws are respected, that they are strictly enforced, and that anyone who breaks the laws is investigated and held responsible! We definitely must be determined to deal with such a black sheep in accordance with the laws and to remain firm in our resolve. I resolutely support you. No matter how strong his support, he cannot get away with it!"

Upon hearing this, all the deputies energetically applauded.

Tibetan Deputies Discuss Human Rights

OW2103122593 Beijing XINHUA Domestic Service in Chinese 0805 GMT 21 Mar 93

[Feature by XINHUA reporters Wang Jinfu (3076 6855 4395) and Luobu Ciren (5012 1580 2945 0088)]

[Text] Beijing, 21 Mar (XINHUA)—In the past few days, deputies from the snowy high plateau to the Eighth National People's Congress have cited a host of facts to repudiate various fallacies concocted by a handful of people in Western countries about the question of human rights in Tibet.

Stating his view straightforwardly, Gyaincain Norbu, chairman of the autonomous region, said: The question of human rights involves mainly the laboring people. In old Tibet, 95 percent of the population were serfs who lived at the mercy of others. The peaceful liberation of Tibet emancipated a million serfs and enabled them to become their own masters. In old Tibet, there was not a single regular school in the whole region, and the overwhelming majority of people did not have the right to receive an education. Today, an educational system with ethnic characteristics has taken shape in Tibet, and over 200,000 students are enrolled at some 2,700 schools throughout the region. Women, who were regarded as

the "lower class" in old Tibet, enjoy equal rights with men in political, economic, cultural, and family lives. The per capita income of peasants and herdsmen, who were poverty-stricken in old Tibet, has reached 485 yuan today. The masses of people are enjoying better food, clothing, housing, and other daily necessities year after year. The people of Tibet know better in their hearts whether they enjoy human rights.

Luo Sang, a peasant deputy from the mountain at Potala Palace, recalled vividly how his father, a servant of feudal nobles, suffered untold hardships and was beaten to death after failing to repay debts. Discussing today's situation, his face lit up with pleasure. He said: Today, all members of the neighborhood committee have TV sets in their houses, while karaoke halls, music, and tea houses can be found everywhere. I cannot explain a great truth—all I know is that under the Communist Party's leadership, our lives have been continually improved. Plainly spoken, his words reveal his convictions. Compared with Luo Sang, the words of Luosang Dunzhi, the mayor of Lhasa city, were more convincing. He said: "In the old society, I was the commissioner's servant; in the new society, I am the mayor. Before liberation, there were only 1 million Tibetans; today there are 2 million. The life span of Tibetans, which used to be only 30 years, exceeds 60 today."

Deputy Senggen Lozong Gyaincain, the 57-year-old living Buddha who is vice chairman of the Tibetan Autonomous Regional People's Congress Standing Committee, said: In the past decade and more, the state has provided financial aid to Tibet in repairing and maintaining some 1,400 religious venues and major temples. Under the protection of the constitution and other state laws, over 34,000 monks and nuns freely conduct religious activities.

Deputy Chen Kuiyuan, who is the secretary of the regional party committee, explained the issue even more thoroughly. He said: The real intentions of a few Western countries that have condemned the human rights situation in Tibet is not the protection of human rights or to show concern for the fate of the people there, but to undermine stability and unity in Tibet in a vain attempt to change the course of development chosen by the Tibetans themselves. This amounts not only to wanton interference in China's internal affairs, but also to a violation of the will of Tibet's people.

Zhou Nan Criticizes Hong Kong Governor's Remarks

HK2303042993 Hong Kong WEN WEI PO in Chinese 23 Mar 93 p 2

[Dispatch from Beijing by staff reporting group: "Zhou Nan Refutes Chris Patten's Remarks, Stressing That 'Privately Conferring' Administrative Power of Hong Kong Is Not Allowed"]

[Text] Beijing, 22 Mar (WEN WEI PO staff reporting group)—XINHUA Hong Kong Director Zhou Nan

today in Beijing criticized Hong Kong Governor Chris Patten's remark about directly handing over Hong Kong's administrative responsibility to Hong Kong people in 1997, saying that this will violate the Sino-British Joint Declaration and the Basic Law. This, he added, further exposes Patten's actual motive.

A reporter from this group asked Zhou Nan when he had attended a full National People's Congress [NPC] meeting today: When giving an interview to a TV station days ago, Patten said he would directly hand over Hong Kong's administrative responsibility to Hong Kong people. What do you think of that? Zhou Nan said: I only learned about that from the newspaper but have not read about the content of the interview. If the report is true, Patten certainly violated the relevant stipulations in the Sino-British Joint Declaration. Because the first article of the declaration has made it clear: Britain will return Hong Kong's administrative responsibility to the PRC in 1997. The central government will from then on only take care of Hong Kong's foreign affairs and defense and allow Hong Kong people to enjoy a high degree of autonomy in line with relevant provisions in the Basic Law.

Zhou Nan told the reporter: The most important first item of the Sino-British Joint Declaration has made this clear rather than allowing the British Government to privately give Hong Kong's administrative responsibility to any person. Giving the Britain's colony to Hong Kong people will change Hong Kong into a semi-independent political entity.

Zhou Nan pointed out: If Patten really made the remark, it would show that he did not read and study the Sino-British Joint Declaration and the Basic Law at all. "This may further show his real motive," Zhou Nan added. He stressed that directly giving Hong Kong's administrative responsibility to Hong Kong people means a breach of the Sino-British Joint Declaration and the Basic Law. He said: "This further shows that he violated the Basic Law."

Zhou Nan told this the reporter to infer from Patten's remark what he is after.

This reporter asked Zhou Nan what countermeasures the Chinese side will take if the British side proceeds this way. Zhou Nan said the Chinese side will firmly implement the stipulations of the Sino-British Joint Declaration and the Basic Law to the letter. He reaffirmed: "We will not do anything in violation of the Basic Law!"

When asked whether administrative power and administrative responsibility are two different things, Zhou Nan said this is a problem of common sense.

In addition, when the NPC Hong Kong and Macao sub-group discussed the Macao Basic Law this afternoon, Zhou Nan at the meeting predicted and believed that the second half of the transitional period in Macao, a period which begins since the promulgation of the

Macao Basic Law, will be comparatively stable because China and Portugal have established good cooperative relationship.

When asked whether Sino-British relations will affect their cooperation, Zhou Nan replied: "It is self-evident."

Early Founding of Hong Kong Committee Urged
HK2303030893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1005 GMT 22 Mar 93

[“Special Article” by Zhao Wen (6392 2429)]

[Text] Hong Kong, 22 Mar (ZHONGGUO TONGXUN SHE)—The Guangdong delegation to the National People's Congress [NPC], including NPC deputies from Hong Kong and Macao, submitted a motion to the Presidium of the First Session of the Eighth NPC proposing that the NPC Session adopt a resolution on setting up a working committee for organizing the preparatory committee for the Hong Kong Special Administrative Region [SAR] as soon as possible. The motion pointed out: In view of the development of the current situation, the fact that the date for China's resumption of sovereignty over Hong Kong in 1997 is drawing near, and in consideration of the requests made by deputies from Hong Kong and Macao and from other provinces and municipalities, it is hoped that the Central Government will embark on the preparations for the founding of the first government and the first legislative council of the Hong Kong SAR as soon as possible. Therefore, it is proposed that a working committee for organizing the SAR Preparatory Committee be set up at the earliest possible date. The Eighth NPC Standing Committee may be authorized to consider and decide on the concrete method of setting up this working committee. It is hoped that this matter may be included in the agenda of the current NPC session and a corresponding resolution may be adopted.

Reportedly, in the course of producing the motion, many NPC deputies from Hong Kong and Macao and members of the National Committee of the Chinese People's Political Consultation Conference [CPPCC] from Hong Kong and Macao first issued statements asking the central government to start the preparatory work for founding the SAR government at an earlier date. The Guangdong delegation to the NPC, including deputies from Hong Kong and Macao, then submitted the motion requiring that a working committee for organizing the SAR Preparatory Committee be set up as soon as possible.

According to the "Decision on the Method for the Formation of the First Government and the First Legislative Council of the Hong Kong SAR" adopted by the Third Session of the Seventh NPC on 4 April 1990, the NPC will establish a preparatory committee for the Hong Kong SAR in 1996. This committee will be responsible for preparing the establishment of the SAR and will

prescribe the special method for forming the first government and the first legislative council in accordance with this decision.

Hong Kong and Macao deputies to the NPC and Hong Kong and Macao members of the CPPCC National Committee, who are attending the NPC and CPPCC sessions in Beijing, as well as many people in various social circles, many organizations, and some mass media in Hong Kong all pointed out that the NPC's 1990 decision was based on the premise that, after the signing of the Sino-British Joint Declaration and the smooth formulation of the Basic Law, the British side would abide by the Joint Declaration and would make arrangements in the political structure and other areas in convergence with the Basic Law. Thus, there would be no problem with regard to Hong Kong's stability and prosperity during the transitional period and the smooth transfer of government in Hong Kong in 1997. As the British side has assumed an attitude of confrontation rather than cooperation, however, it has created the present worsening relationship between China and Britain and has caused shocks to Hong Kong society and losses to the Hong Kong economy. The British side has been bent on [xu yi 5552 1942] creating confusion and obstruction to the maintenance of stability and prosperity during the transitional period and to the smooth transfer of government in Hong Kong in 1997. Therefore, it is imperative to set up a working committee for organizing the SAR Preparatory Committee as soon as possible so that the preparatory work for the establishment of the SAR government can be started at an earlier date.

Some people in Hong Kong are worried that the working committee may become another power center in Hong Kong, and such concern is uncalled-for. As Zhou Nan, XINHUA Hong Kong branch director, has said the wording of the motion clearly indicated that the working committee will converge with the preparatory committee to be established in 1996, and will only do preparatory work for the Preparatory Committee. After the SAR Preparatory Committee is established in 1996, the working committee will naturally complete its historic mission.

Court President Ren Jianxin Reports to Session

OW2203024093 Beijing XINHUA in English 0120
GMT 22 Mar 93

[Compilation of XINHUA English reports on Supreme People's Court President Ren Jianxin's report to the First Session of the Eighth National People's Congress in Beijing on 22 March—subheads are XINHUA headlines; date and time of transmission follow each report]

[Text] Chinese Courts Crack Down on Crimes

Beijing, March 22 (XINHUA)—Chinese courts at all levels have cracked down, promptly, severely, and according to law, on criminal offenses over the past five years, China's top judge Ren Jianxin said here today.

Delivering a report on the Supreme Court's work to the ongoing session of the Eighth National People's Congress (NPC), Ren, president of the Supreme People's Court, said the people's courts' severe punishment of criminals according to law has played an important role in safeguarding public security.

Since 1988, Chinese courts have handled more than two million criminal cases, with more than 2.438 million culprits sentenced, of whom 34.9 percent were given sentences ranging from five years, life sentence to the death penalty, 1.4 percent were exempt from criminal sanction, and 0.4 percent were declared not guilty.

Over the past five years, Ren said, together with public security and procuratorate departments, Chinese courts at all levels have meted out severe punishment for offenders of such crimes as murder, robbery, explosion, rape, robbery, criminal activities of hooligan gangs, robbery on highways and railways, and people who destroyed communications, telecommunications and power equipment. Organized crime has been a prime target of the law, Ren said.

Ren noted that larceny has remained the most-frequently-committed crime in China. Over the past five years, courts across the land have concluded 774,000 cases of larceny, with 1.14 million culprits convicted.

The top judge said that to severely punish, according to law, criminals engaged in forcing or inducing women into prostitution, abducting and selling or kidnapping women and children, drug smuggling and trafficking, or producing, selling and spreading pornographic stuff, is another major task of Chinese courts.

Courts at all levels in the country have concluded 69,000 such cases, with more than 100,000 culprits convicted, over the past five years.

In June 1991, the Supreme People's Court authorized, according to law, the Higher People's Court of Yunnan Province to examine and approve death sentences in cases involving drug trafficking, in a bid to promptly and severely crack down on rampant drug trafficking along borders of the province.

At the same time, courts in some areas where conditions permit have granted reprieve to offenders of minor crimes or put them under public surveillance with a view to transforming them by relying on the masses, Ren said.

Courts have also mitigated sentences for, or released on probation, criminals who showed real repentance or performed meritorious deeds in reform through labor. [0120 GMT 22 March]

2.8 Billion Yuan Recovered in Economic Cases

Beijing, March 22 (XINHUA)—Chinese courts have recovered 2.8 billion yuan worth of losses by cracking down on economic crimes in the past five years.

During the period, Chinese courts handled some 169,700 cases involving economic crimes and meted out sentences to more than 148,000 offenders, according to Ren Jianxin, president of the Supreme People's Court.

The country's top judge said the Chinese Government has focused on cracking down on embezzlement and bribery by government employees in a bid to build a clean and honest government.

According to Ren, people's courts have given verdicts to more than 77,500 offenders of embezzlement and bribery involved in 101,000 cases in the past five years.

Ren said people's courts at all levels promptly handled a number of economic cases in which convicts received severe or lenient sentences according to the degree of their repentance. The verdicts serving as showcases prompted many offenders to give themselves up, Ren said.

The courts also cracked down on other economic crimes including smuggling, fraud, tax dodging, money forgery, and the production and peddling of fake and shoddy goods.

Ren said some serious cases involved cadres of substantial power in government departments, state institutions and enterprises. Courts attached special importance to dealing with such cases, Ren said.

In the past five years, courts convicted and sentenced 31 persons who embezzled or took bribery worth over one million yuan each, with the largest amount reaching 3.13 million yuan.

Ren revealed that government officials convicted in these cases included: four with ministerial rank, 38 with departmental rank, and 638 with county magistrate rank.

Ren said people's courts have strictly adhered to the principle of accuracy in handling economic criminal cases. The Supreme People's Court has developed a criterion to distinguish the guilt from the innocent especially for managers and technologists of enterprises. For enterprise managers who commit mistakes in taking bold steps in reform, courts do not give them a verdict of guilt, Ren said. [0122 GMT 22 March]

Chinese Courts Strengthen Trial of Civil Cases

Beijing, March 22 (XINHUA)—The number of civil lawsuits brought before Chinese courts has increased by 9.9 percent each year over the past five years, a result of improvements in the country's legal system and people's enhanced awareness of law.

Ren Jianxin, president of the Supreme People's Court, said here today that courts across the country have tried more than 8.9 million civil cases of the first instance, accounting for over 60 percent of the total number of lawsuits, over the past five years.

In his report on the work of the Supreme People's Court to the current session of the National People's Congress (NPC), Ren said that the correct and prompt trial of the great number of civil lawsuits in accordance with law has played a positive role in maintaining social stability and in promoting economic development and social ethics.

In recent years, the number of divorce cases has greatly increased to account for 50 percent of all the civil cases, due to changes of people's concepts about marriage, family and changes of property relations.

Over the past five years, courts across the land have handled more than 3.9 million divorce cases.

With further development of reforms and opening up and expansion of non-governmental business contracts, cases involving debt have greatly increased in number. Courts have handled and concluded more than 2.6 million cases of this category over the past five years.

Ren said that it has been one of the major tasks of all Chinese courts to handle cases involving copyrights and personal reputation rights over the past five years. In the period they have handled and concluded 11,317 cases involving copyrights, and rights of personal reputation, nomenclature, name and honor.

At the same time, the courts have handled and concluded more than 166,000 cases involving disputes over land, forests and irrigation works. [0139 GMT 22 March]

China Handles More Cases Involving Overseas Parties

Beijing, March 22 (XINHUA)—People's courts at all levels in China have paid close attention to handling cases involving foreign nationals or people from Hong Kong, Macao and Taiwan to facilitate opening up to the outside world, according to China's top judge Ren Jianxin.

Addressing the First Session of the Eighth National People's Congress (NPC), Ren, president of the Supreme People's Court, said here today the people's courts observe Chinese laws and international treaties China has signed or participated in, take reference of international practices, use conflict norms and solve the question of law applicability when handling civil and economic dispute cases involving foreign nationals or people from Hong Kong, Macao and Taiwan.

The courts have adhered to the principle of equality for both Chinese and foreign parties and protect the legitimate rights of all parties according to law.

In the past five years Chinese courts accepted and concluded 6,186 cases involving foreign nationals.

The top judge said Chinese courts have actively conducted judicial cooperation with foreign courts while handling civil cases involving overseas parties. China has signed judicial mutual assistance treaties with 13

countries. Treaties signed with France, Poland, Mongolia and Romania have gone into effect. China also joined in the convention on service abroad of judicial documents and extra judicial documents in civil or commercial matters in March 1991. By the end of 1992 Chinese courts had entrusted foreign courts or accepted the entrustment of foreign courts for the delivery of 188 judicial documents.

Ren Jianxin said, when handling civil and economic dispute cases involving people from Hong Kong and Macao, the courts have strictly abided by Chinese laws. In line with stipulations of the general principles of the civil code, laws applicable in Hong Kong and Macao are applied on the Chinese mainland under the prerequisite that they do not violate the public interests of the mainland. In the past five years people's courts accepted and concluded 9,264 cases involving people from Hong Kong and Macao.

The people's courts have actively and appropriately handled cases involving people from Taiwan in a bid to promote development of relations between the Chinese mainland and Taiwan. The people's courts handled 1,144 such cases in the past five years.

Taking into full consideration the historical fact that the two sides of the Taiwan Straits have been separated for decades, the Supreme People's Court has formulated stipulations on law applicability governing marriage, inheritance, housing, debt and other civil cases involving people from Taiwan in August 1988.

He expressed the hope that courts on the two sides of the Taiwan Straits will conduct negotiations and reach agreements on mutual entrustment of legal document delivery, investigations, evidence gathering and verdict enforcement, among others, to protect the legitimate rights of parties of both sides. [0152 GMT 22 March]

Reviews Work During Seventh NPC Term

OW2303055693 Beijing XINHUA Domestic Service in Chinese 0957 GMT 22 Mar 93

[Text] Beijing, 22 Mar (XINHUA)—In his report to the First Session of the Eighth National People's Congress [NPC], Ren Jianxin, president of the Supreme People's Court, said today: During the five-year term of the Seventh NPC, people's courts across the country have accepted more than 15.56 million cases of first and second instances and retrial cases of various kinds, and concluded over 15.55 million cases, annually increasing by 6.8 percent and 6.4 percent respectively on the average. The development of the work of people's courts in adjudication has synchronized with that of reform, opening up, and modernization; and the people's courts have scored tremendous achievements.

Ren Jianxin said: During the term of the Seventh NPC, people's courts at all levels, as well as military, maritime, railway, communications, and other special courts, have conscientiously implemented the party's basic line of

"one center and two basic points" and faithfully enforced the Constitution and laws; keeping the central task of economic construction in mind, they have strengthened their work in an all-around way in adjudicating criminal, civil, economic, administrative, maritime, and other cases, and further improved the administration of justice, thus playing a positive role in maintaining social stability; protecting the legitimate interests of citizens and legal persons; and promoting reform, opening up, and economic construction. During the past five years, people's courts have earnestly performed their duties as organs of people's democratic dictatorship and severely cracked down on various criminal activities seriously jeopardizing public security and disrupting economic order. People's courts throughout the country have accepted a total of 2,016,357 criminal cases of first instance, 422,991 of which were accepted in 1992, with an average annual increase of 7.9 percent. During the five years, 2,011,671 such cases have been tried, and 2,438,217 offenders have been convicted, of whom 34.9 percent have been given sentences ranging from five years and life sentences to the death penalty (including reprieve granted), 63.6 percent have been given a prison sentence of less than five years or put under criminal detention [ju yi 2153 1763] or surveillance, 1.4 percent have been exempt from criminal sanction, and 0.4 percent have been declared not guilty.

He said: On the principle of punishing criminals severely and promptly according to law, people's courts at all levels have in the past five years tried a total of 750,744 criminal cases of first instance involving serious disruption of social order. In those cases, 1,107,816 persons have been convicted, and 244,820 of them were convicted in 1992.

Ren Jianxin said: In the past five years, people's courts at all levels have upheld the principle of punishing criminals severely according to the law, waged an in-depth struggle against economic crime, and maintained economic order by punishing a number of serious economic criminals. People's courts throughout the country have concluded 169,777 first-instance cases of economic crimes, and 148,145 offenders have been convicted, except for cases which are being appealed, are dismissed, or are returned to relevant procuratorates for further investigation. Of those offenders, 33,280 were sentenced in 1992. These people's courts have recovered 2.8 billion yuan of economic losses for the state over the past five years.

Ren Jianxin said: In adjudicating cases, people's courts pay particular attention to adjudicating major or serious cases. In the past five years, people's courts across the country have convicted 25,602 offenders who embezzled or took bribes worth over 10,000 yuan each; of those offenders, 1,003 embezzled or took bribes worth more than 100,000 yuan and less than 500,000, and 31 embezzled or took bribes worth over 1 million yuan, with the largest amount reaching 3.13 million yuan. Those convicted for embezzlement or bribery include four with

ministerial rank, 38 with departmental rank, and 638 with county magistrate rank.

On handling economic and maritime cases, Ren Jianxin said: People's courts at all levels have adjusted economic relations and maintained economic order through adjudication; they took an active part in economic improvement and rectification; they have worked hard to serve the efficient operation of state-owned large and medium-sized enterprises, the development of the rural economy, and the acceleration of reform, opening up, and economic construction. In the past five years, they have accepted a total of 3,016,608 cases of first instance involving economic dispute, 650,601 of which were accepted in 1992, with an average annual increase of 12.2 percent. People's courts have concluded 2,996,496 such cases, and the total sum of money those involved in the lawsuits tried to obtain was 106.914 billion yuan.

He said: Fairly rapid progress has been made in the trial of maritime cases during the last five years. A total of 4,652 maritime cases in 33 different categories have been brought to courts during the period, showing an annual increase of 36.7 percent. The litigation parties came from 38 countries and regions. Some of the cases brought to our maritime courts were litigations between foreign nationals or legal persons. A total of 4,211 cases involving a total amount of 1.238 billion yuan were concluded during the five year period, of which 1,992 cases were concluded in 1992. The various maritime courts have sought to constantly improve quality and efficiency in handling cases, and this has generated favorable international reactions.

On the trial of civil lawsuits, Ren Jianxin said: The number of civil lawsuits has increased steadily as a result of economic development, improvement in the country's legal system, and the people's enhanced awareness of the law. A total of 8,951,833 civil cases of the first instance were brought before courts in various parts of the country in the last five years, accounting for more than 60 percent of all the cases received by courts. The number represents an annual increase of 9.9 percent. Of this total, 8,936,284 cases were concluded. The enforcement of the General Rule of the Civil Law, the Civil Procedure Law, and the Copyright Law has further improved the trial of civil cases. The correct and prompt trial of the large number of civil lawsuits in accordance with law has played a positive role in protecting the rights and interests of the citizens and legal persons in civil affairs, maintaining social stability, and promoting economic development and spiritual civilization.

On the trial of administrative cases, Ren Jianxin said: The trial of administrative cases is an important earmark in the drive to perfect China's litigation system and a major event in the construction of the socialist legal system. The promulgation of the Administrative Procedure Law in 1989 ushered in a new stage in the trial of administrative cases. The scope of administrative litigation has continued to expand, and the number of administrative cases has rapidly increased. A total of 84,305

administrative cases involving more than 30 administrative departments were brought before courts in various parts of the country in the last five years, showing an annual increase of 35.5 percent. Of the 82,129 cases handled, 34.1 percent had the original administrative decisions upheld, 17.5 percent had the decisions rescinded, 3 percent had the decisions amended, 35.4 percent had the cases withdrawn by the plaintiffs, and 10 percent were handled in other ways. In addition, people's courts at various levels also handled 131,328 cases of compulsory execution at the request of administrative organs.

On the trial of cases involving people from Hong Kong, Macao, and Taiwan, Ren Jianxin said: A total of 6,186 cases involving overseas parties were brought to Chinese courts in the last five year. When handling civil and economic dispute cases involving overseas parties, the people's courts have observed Chinese laws and international treaties China has signed or participated in, taken reference of international practices, used conflict norms, and solved the question of law applicability. The courts have adhered to the principle of equality for both Chinese and foreign parties, and to protecting the legitimate rights of all parties according to the law. In the last five years, the people's courts have handled 9,264 cases involving Hong Kong and Macao parties, and 1,144 cases involving Taiwan parties. He expressed the hope that courts on the two sides of the Taiwan Strait will conduct negotiations and reach specific agreements on ways and methods of mutual entrustment of legal procedures to protect the legitimate rights of parties of both sides.

Ren Jianxin also reported to the first session of the Eighth NPC on supervision of trials, guidance in conducting court business, and reform and construction of the people's courts. He said: There are still shortcomings in the work of the people's courts. First, ideologically, some judicial cadres and policemen still cannot keep up with the new situation brought about by reform, opening up, and economic construction, and they need to take further steps to emancipate their minds and change their viewpoints. Second, investigation and study of the new situation and problems have not been deep enough, and guidance has not been provided in an effective, timely way. Third, case handling quality has not been good in certain instances, and some cases have been mishandled or handled on the basis of connections or personal relationships. Fourth, some cases have not been handled promptly, and some have not been received as they should be, prompting the masses to complain about the difficulty of bringing lawsuits. Fifth, a few cadres and policemen lack the idea of serving the people, and they work in a simplistic, rude manner. We must make earnest efforts to correct these shortcomings in our future work.

Outlines Supreme People's Court Tasks

OW2203123693 Beijing XINHUA Domestic Service in Chinese 0922 GMT 22 Mar 93

[Text] Beijing, 22 Mar (XINHUA)—Ren Jianxin, president of the Supreme People's Court, pointed out today that for some time to come, the principal tasks of the people's courts will be to: Earnestly implement the 14th CPC National Congress guidelines; steadfastly implement the party's basic line of "one center and two basic points"; persistently take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as a guide; further emancipate the mind; seek truth from the facts; continue to step up efforts in trying criminal, civil, economic, administrative, and maritime cases; deepen the struggle of cracking down hard on serious criminal offenses and economic crimes; make full use of laws to regulate economic relations; earnestly protect the legitimate interests of citizens and legal persons; safeguard and supervise administrative organs in administering according to the law; and provide vigorous legal guarantee and legal services for establishing the socialist market economic system and for speeding up reform, opening up, and the modernization drive.

Ren Jianxin outlined these tasks in a report on the court's work submitted today to the fourth full meeting of the First Session of the Eighth National People's Congress [NPC]. He said: The next five years is crucial for the accomplishment of the second-step strategic objectives of China's modernization drive. The 14th CPC National Congress again clearly set the goal of establishing a socialist market economic system. This has set forth new and higher demands on the work of the people's courts. With the acceleration of reform, opening up, and economic construction and the establishment of a legal system with the Constitution at its core that meets the needs of developing a socialist market economy, social relations are becoming increasingly subject to regulation by the law and the people's courts' workload of administering justice is becoming increasingly onerous.

Ren Jianxin said: On the basis of a review of experiences over the past five years, people's courts at all levels—in order to fulfill the task of administering justice vested in them by the Constitution and other laws—must uphold the following five points: 1) The guiding ideology of making the administration of justice serve economic construction; 2) the policy of "promoting reform and opening to the outside world and cracking down on criminal activity of all kinds with equal vigor"; 3) the principle of earnestly protecting the legitimate interests of citizens and legal persons; 4) strict law enforcement; and 5) the reform and development of the courts themselves.

Procurator General Liu Fuzhi Briefs Session**Human Rights Accusations 'Groundless'**

OW2203031593 Beijing XINHUA in English 0210 GMT 22 Mar 93

[Compilation of XINHUA English reports on Supreme People's Procuratorate Procurator General Liu Fuzhi's

report to the First Session of the Eighth National People's Congress in Beijing on 22 March—subheads are XINHUA headlines; date and time of transmission follow each report]

[Text] China Fights Against Embezzlement, Bribery

Beijing, March 22 (XINHUA)—Chinese procuratorates have, in the past five years, focused their efforts on severely fighting against offenses of embezzlement and bribery and serious criminal offenses, and strengthened the work to investigate and deal with offenses encroaching upon democratic rights of citizens and those of malfeasance.

Liu Fuzhi, procurator-general of the Supreme People's Procuratorate, made these remarks today at the fourth full meeting of the ongoing First Session of the Eighth National People's Congress.

Liu said, in the past five years, procuratorates at various levels in the country investigated more than 214,000 cases of embezzlement and bribery. Of the total, close to 50,000 were major cases each involving over 10,000 yuan, and proceedings were taken against more than 95,000 people involved in such cases. Illicit money or goods valued at 2.58 billion yuan were recovered.

In his work report delivered to the meeting, Liu disclosed that since 1988 procuratorates at different levels in the country have investigated and punished 4,629 cadres at or above county-level, with 173 being bureau-level officials and five being provincial and ministerial level officials.

Liu said that at present, most of China's provincial procuratorates and some city and county procuratorates have established anti-embezzlement and -bribery bureaus based on the original economic procuratorial organs, which has promoted the standardization and modernization of investigation work to fight against embezzlement and bribery.

He noted that it is another major task for procuratorates to severely crack down on serious criminal offenses.

According to Liu, from 1988 to the end of 1992, procuratorates across the country accepted and heard cases involving more than 2.9 million culprits who were arrested with the approval of public security organs and they took proceedings against over 2.5 million culprits to people's courts after investigation. [0210 GMT 22 March]

Procuratorates Safeguard Citizen Rights

Beijing, March 22 (XINHUA)—The Supreme People's Procuratorate has strengthened, according to law, its supervision over investigative activities of public security departments and trials by courts, and its prosecution of violators of citizen rights and suspects of malfeasance.

Addressing the fourth full meeting held here today of the current First Session of the Eighth National People's

Congress, Liu Fuzhi, procurator-general of the Supreme People's Procuratorate, said that it is stipulated in China's Constitution and laws that all Chinese citizens fully enjoy the rights of democracy and freedom under the effective protection of laws.

The procurator-general stressed that procuratorates across the land have made prompt investigations into any actions found to infringe upon citizens' rights and brought criminal proceedings against offenders according to law.

Over the past five years, the procuratorates have also strengthened their supervision over law enforcement and handled more than 9,000 major cases, of which nearly 2,500 were extremely serious ones, and punished 614 officials above the county level.

At the same time, procuratorates at all levels have paid particular attention to cases involving extorting confessions by torture, bending the law for personal gains, infringing upon citizens' freedom of communication by letters, frame-up with false accusations, and sabotaging elections, with a view to safeguarding the democratic rights of citizens and their right of person.

The procuratorates have placed on file for investigation 1,687 cases involving extorting confessions by torture committed by the police and judiciary workers, and 709 cases involving bending the law for personal gains, over the past five years.

Meanwhile, they have also handled more than 15,000 cases of illegal detention resulting from economic, marriage, family and inheritance disputes.

He said it is utterly groundless for some Western countries to accuse China on the issue of "human rights." [0229 GMT 22 March]

Discusses Fight Against Corruption

OW2203073593 Beijing XINHUA Domestic Service in Chinese 0253 GMT 22 Mar 93

[Text] Beijing, 22 Mar (XINHUA)—In his report today to the First Session of the Eighth National People's Congress [NPC] on the work of the Supreme People's Procuratorate, Liu Fuzhi, procurator general of the Supreme People's Procuratorate, said: Over the past five years, procuratorial organs have focused on waging a punitive battle against crimes involving corruption and bribery and have instituted a variety of measures to tighten legal supervision over these occupational offenses of government functionaries. They have played a positive role in promoting clean administration and ensuring smooth progress in reform, opening up, and economic construction.

Liu Fuzhi said: Beginning in the fourth quarter of 1988, the Supreme People's Procuratorate designated the punitive fight against crimes involving corruption and bribery as the centerpiece of procuratorial work and the leading task in the battle against economic crimes. It

underscored the need for leaders to take a hands-on approach and to concentrate on investigating and handling major cases, thereby opening up new work prospects. Statistics show that from 1988 to the end of 1992, procuratorial organs across the country placed 214,318 corruption and bribery cases on file for investigation; of these, 49,122 were major cases involving 10,000 yuan or more each. Public proceedings were instituted against 95,818 people in people's courts, and stolen money and goods worth 2.58 billion yuan were recovered.

Liu Fuzhi said: During their punitive battle against crimes involving corruption and bribery, procuratorial organs at all levels continued to focus on investigating and handling major cases and properly handled minor cases in accordance with the law, thereby dealing a stern blow to serious criminals involved in corruption and bribery. Of the major cases each involving 10,000 yuan or more that were solved, 100,000 yuan to 500,000 yuan were involved in 1,782 cases, 500,000 yuan to 1 million in 122 cases, and over 1 million in 81 cases. Since 1988, procuratorial organs have investigated and handled 4,629 cadres involved in corruption and bribery at or above the county or section level; of these, 173 were cadres at the departmental or bureau level, while five were at the provincial or ministerial level. Meanwhile, they showed leniency, in accordance with the law, toward those who committed minor offenses, confessed to their crimes, performed meritorious service, showed repentance, and actively surrendered their spoils. They referred to government and party disciplinary departments those who had not caused great harm and whose criminal liability need not be investigated. This has dealt a serious blow to grave criminal elements while educating and saving people who committed minor offenses.

Liu Fuzhi said: A system whereby procurators general took the lead in investigating and handling major cases was established in the Supreme People's Procuratorate as well as local procuratorates at all levels. Leading cadres seized the initiative by going to the front lines to study the circumstances of cases, to direct investigations and the collection of evidence, and to solve problems. More than 3,600 procuratorates throughout the country established crime-reporting organs, launched all-out efforts to encourage people to report crimes, accepted and handled 730,000 leads provided through such reporting concerning corruption and bribery cases, placed more than 150,000 cases on file for investigation, and investigated and handled 2,922 cases in which the informants were attacked in retaliation. An overwhelming majority of provincial-level procuratorates and some city and county procuratorates across the country formed anticorruption and antibribery bureaus based on the original economic procuratorial organs. By restructuring organs, increasing the number of personnel involved in handling criminal cases, introducing new technology and equipment, and strengthening centralized and unified control, they improved secret investigative operations, trained special forces for the fight against crimes involving corruption and bribery, and

established a preliminary investigative system to investigate and handle crimes involving corruption and bribery.

Liu Fuzhi also noted: In accordance with the legislative plans of the party Central Committee and the NPC Standing Committee, the Supreme People's Procuratorate set up a task force to study and draft the "Law on Punishing Corruption and Bribery." It has developed a draft after more than two years of investigations and studies. The procuratorate is now conducting more studies and revising the draft in light of the new situation arising from the development of a socialist market economy.

On Crime Crackdown, Procuratorial Role

OW2203101793 Beijing XINHUA Domestic Service in Chinese 0611 GMT 22 Mar 93

[Text] Beijing, 22 Mar (XINHUA)—Speaking at the First Session of the Eighth National People's Congress today, Liu Fuzhi, procurator general of the Supreme People's Procuratorate, said: Procuratorates at various levels have, over the past five years, coordinated with different departments to improve public order and severely and quickly punish serious criminal offenses, thereby playing an active role in ensuring national stability and public security and in strengthening the construction of the socialist democracy and the legal system.

He said: Under the unified leadership of the party and the government, procuratorates at various levels coordinated with the public security organs, courts, and judicial administration in fighting against serious crimes. From 1988 to the end of 1992, procuratorates across the country accepted cases involving 2,959,565 culprits, whom public security organs had requested the approval to arrest, and approved the arrest of 2,568,250 of them after investigations. Procuratorates across the country also accepted 2,904,820 culprits transferred from public security organs and instigated proceedings against 2,507,247 of them to people's courts after investigations. In carrying out their work, the procuratorates upheld the principle of verifying facts, obtaining accurate proof, and avoiding endless quibbling over side issues in speedily approving arrests and instigating proceedings to prevent forfeiting the chance of winning a case according to the law.

Liu Fuzhi said: While fighting against serious crimes, the procuratorates focused their efforts on murder, robbery, explosions, stealing and the theft of guns, offenses involving the use of guns, rape, trouble-making by hooligans, and criminal groups and gangs having the nature of an underground society; and approved the arrest of a total of 871,922 serious criminal offenders and 102,083 offenders who were members of criminal groups and gangs. While actively taking part in special campaigns against larceny, pornography, and the "six vices" over the past five years, the procuratorates instigated proceedings against 1,228,612 offenders, and approved the arrest of 119,181 criminals engaged in smuggling, trading,

transporting, and manufacturing narcotics; in producing, peddling, and spreading pornographic materials; in sheltering, forcing, or inducing women into prostitution; in abducting and selling or kidnapping women and children; in gambling; and in using feudal superstitions to defraud people of their money and belongings.

He said: The procuratorates also continually supervised, according to the law, investigations by public security organs and judicial trials by people's courts. Over the past five years, while persisting in speedily approving arrests and instigating proceedings according to the law, the procuratorates decided against arresting 225,625 people whose arrest was not necessary or who did not commit a crime, and against indicting 15,388 people who should not have been held responsible for crimes. They also arrested 39,029 criminals and indicted 20,664 criminals who had slipped through the justice network; and put forth 43,817 opinions correcting violations of the law by public security organs in the process of investigations. When people's courts opened trials on cases indicted by the procuratorates, they dispatched personnel to the courts to support public prosecutors. They put forth 12,962 opinions correcting violations of the law in judicial activities of people's courts, as well as 10,280 protests and complaints against erroneous judgments and rulings of people's courts.

Tian Jiyun on Easing Farmers' 'Plight'

HK2203040093 Hong Kong SOUTH CHINA MORNING POST in English 22 Mar 93 p 8

[Text] Senior leaders have warned that the communist rule over China will be undermined if there is no action to ease the plight of farmers. In a group discussion with Tianjin delegates at the National People's Congress (NPC), Vice-Premier Mr Tian Jiyun said: "If there are problems in villages, no one in the present regime can hold on to power."

The warning was one of the strongest issued by senior officials at the current NPC plenum, where the alarming deterioration in agricultural development has dominated the delegates' group discussions. Mr Tian was in charge of agriculture but is set to step down from the State Council and become a vice-chairman of the NPC at the end of the session.

Maintaining that village economies have made progress over the past 14 years of reforms, he said problems did exist in some regions. "Those problems are not a matter with the regions themselves but the external environment," he said.

They included abuses in the appropriation of farmland for economic development zones, low prices for farm produce, over-taxing and the accumulation of debts owed to farmers. Mr Tian said: "Farmers have been most tolerant. They will not rebel if it has not gone too far. But if they did, the consequences are unimaginable."

Jiang Zemin Joins PLA Delegation Discussion

*OW2203105093 Beijing Central Television Program
One Network in Mandarin 1000 GMT 22 Mar 93*

[Announcer-read report by Ji Huiyan (0370 1920 1750) and Hua Yue (5478 6390); from the "News" program]

[Text] [Video opens with a long shot of a large conference room fully packed with about 300 people dressed in military uniform; it then shows a close shot of Jiang Zemin in a dark blue Chinese tunic suit, reading from a prepared text; Jiang is seen flanked by Liu Huaqing on his left and Zhang Zhen on his right] While attending a discussion with the delegation from the People's Liberation Army [PLA] at 1500 [0700 GMT] on the afternoon of 22 March, Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, emphasized: All commanders and fighters should be fully aware of the Army's major responsibility in accelerating reform, opening up, and modernization. They should unite as one, heighten spirits, and work hard together with people across the country in winning still greater victories in the socialist modernization drive.

He said: In accelerating reform and promoting development, it is necessary to have a safe and stable social and political environment. The People's Army plays a decisive role in safeguarding national security and social stability. Historical experiences show that the strengthening of national defense forces is essential for a safe and stable environment, and that defense modernization is an integral part of the socialist modernization drive, as well as an important indicator of overall national strength. Only by building a powerful Army commensurate with our national status is it possible to reliably defend national security and ensure the smooth progress of socialist modernization construction.

He also emphasized: We should attach great importance to conducting national defense education and increasing defense awareness among all citizens. Party committees and governments at all levels should carry forward the glorious tradition by showing concern for and supporting the Army's construction and reform, and striving to create favorable conditions for Army building.

Calls For Army-Civilian Unity

OW2203141893 Beijing XINHUA Domestic Service in Chinese 1251 GMT 22 Mar 93

[By reporter Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 22 Mar (XINHUA)—While attending a discussion meeting with the delegation from the People's Liberation Army [PLA] today, Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, emphasized: All commanders and fighters of the Army should be fully aware of its grave responsibility in accelerating reform, opening up, and modernization; and should unite as one,

heighten spirits, and work hard together with the people across the country in winning still greater victories in the socialist modernization drive.

When Jiang Zemin stepped into the conference room of the Jingxi Guesthouse, he received a standing ovation from all PLA deputies. He invited the deputies to speak first.

Deputies Xing Shizhong, Zhang Xusan, and Xie Guang stated their views regarding further promoting Army building and reform, and accelerating the process of defense modernization. While they spoke, Jiang Zemin asked questions and took notes from time to time.

After listening attentively to the deputies' speeches, Jiang Zemin took the floor. He said: Guided by Comrade Xiaoping's important talks made during his inspection tour to the south and by the spirit of the 14th CPC National Congress, the country is witnessing a noticeable quickening pace of reform and opening up, as well as a vigorous surge in all fields of the modernization endeavor. The period beginning from now until the end of this century will be crucial for establishing a socialist market economic structure and advancing the socialist modernization drive in China. We must persistently emancipate our minds, seek truth from facts, seize the opportunity to deepen reform and speed up development, and concentrate efforts to push the national economy forward. These factors should be the guidelines for work in all fields in the present and in the future, as well as the common tasks facing the whole party and people across the country.

He said: Overall, the current international situation is favorable to us. The world is developing in a multipolar direction, and a new strategic pattern is yet to take shape. For a fairly long period from now on, we can devote our energy on economic construction in a relatively peaceful international environment. Nevertheless, there is a grim aspect in the international situation. Power politics and hegemonism have continued to exist, while local wars and regional conflicts have never ceased. Domestically, we are facing a good situation, characterized by political stability, social tranquillity, and rapid economic growth. Along with continuous progress in reform, relations among many economic sectors and various interests need to be adjusted, while quite a few new contradictions and problems, including some serious ones, have cropped up. There are problems in the course of advancing, and they should be taken seriously and should never be neglected. If these problems are resolved with a positive and correct approach, the situation will become better and better. The domestic situation may as well be summarized as the following: The situation is excellent; even though problems do exist, the future is bright.

He emphasized: In accelerating reform and promoting development, it is necessary to have a safe and stable social and political environment. The People's Army plays a decisive role in safeguarding national security

and social stability. Historical experiences show that the strengthening of national defense forces is essential for a safe and stable environment. Defense modernization is an integral part of the socialist modernization drive, as well as an important indicator of the overall national strength. Only by building a powerful Army commensurate with our national status is it possible to reliably defend national security and ensure the smooth progress of socialist modernization construction. All Army comrades must recognize their historical responsibility, striving to improve the quality of troops in all fields and building up their combat capability so as to more effectively carry out the sacred mission of safeguarding the motherland's security, unification, and social stability.

He also emphasized: We should attach great importance to conducting national defense education and increasing defense awareness among all citizens. Party committees and governments at all levels should carry forward the glorious tradition by showing concern for and supporting the Army's construction and reform, and striving to create favorable conditions for Army building. All party members and people throughout the country should cherish our Army and defend its honor.

Jiang Zemin said: Over the years, the whole army united as one under the leadership of the CPC Central Committee and Central Military Commission, carried out its work in a down-to-earth manner and made advances while overcoming difficulties. They have a lot to their credit. Especially since the 14th CPC National Congress, the new CMC—in line with Comrade Deng Xiaoping's ideas on army building in the new period and proceeding from the overall needs of strengthening army building—has adopted a series of major policy decisions that have resulted in new progress in army building. At present, the overall situation of China's army building is good; at the same, however, it is faced with quite a few difficulties and contradictions, prominent among them is a shortage of military funds. The solution to this problem lies, in the final analysis, in the greater development of the national economy. The comrades in our military should conscientiously subject themselves to the overall interests of national economic development, actively participate in and support national construction, and make their due contributions to turning our China into a prosperous and strong nation. When the nation's economic, scientific and technological strength grows, the army will have a solid material foundation for its construction and development. We must base ourselves on the present conditions and take the initiative in promoting army building and reform. We must give full rein to our subjective initiative and bring into fuller play the initiative and creativity of the broad ranks of officers and men.

Jiang Zemin pointed out: The building and reform of the military should be carried out in step with national construction and reform. We should, in accordance with the guidelines of the 14th CPC National Congress, earnestly implement Comrade Deng Xiaoping's ideas of army building in the new period, stress quality, charter a

path of building smaller but better troops with distinct Chinese characteristics, and raise the military's overall combat capacity. We must step up ideological education, tighten discipline and administration, and always keep the army highly stable, centralized, and unified.

Speaking of the military setting a good example in promoting spiritual civilization, Jiang Zemin said: The great cause of socialism with Chinese characteristics is one of promoting—and achieving all-around, simultaneous progress in—both the socialist material and spiritual civilizations. "Promoting both the material and spiritual civilizations without stressing one to the neglect of the other" in the course of implementing reform, opening up, and the modernization drive is a basic guiding principle repeatedly emphasized by Comrade Xiaoping and the CPC Central Committee. As economic construction is picking up speed, we must also devote greater efforts to the development of the socialist spiritual civilization.

Jiang Zemin pointed out: Writers and artists shoulder major, lofty responsibilities in the development of the socialist spiritual civilization. Our art and literature are, general speaking, supposed to inspire the people, boost their morale, and foster and mold their lofty sentiments so that they will contribute to the nation's modernization drive. Certainly, art and literature should also bring joy to people in their off-duty hours. It is hoped that writers and artists in the military should, through their works and performances, continue to extol the new people, new things, and new phenomena, carry forward the army's glorious traditions, and boost the morale of the broad ranks of cadres and fighters.

Jiang Zemin stressed that our Army, a people's army under the leadership of the party, has always attached importance to instilling its soldiers with advanced ideology and spirit. It has a whole set of fine traditions; it has trained a large number of heroes and models who cherish lofty ideals and who are selflessly dedicated, and has made important contributions to carrying forward our great national spirit and to building a socialist spiritual civilization. Troops are the most centralized and unified fighting collectives; they strictly abide by organizational discipline and are fairly advanced members of society. Under the new historical conditions, our Army should play a better role in taking the lead in building spiritual civilization. It should lead other sectors of society in this respect. There are many ways to build spiritual civilization, but at present the most important thing is to use the theory of building socialism with Chinese characteristics to guide the ideological work for cadres and soldiers and to vigorously carry forward the "revolutionary and death-defying spirit, the spirit of sacrificing oneself and strictly abiding by discipline, the spirit of selflessly putting others' interests before self-interests, the spirit of overwhelming the enemies and all difficulties, and the spirit of adhering to revolutionary optimism and overcoming all difficulties to seize victories," initiated by Comrade Xiaoping. These "five revolutionary spirits" give concentrated

expression to the true color of the veteran Red Army and to the fine traditions of our party and our Army, and therefore constitute the important content of the socialist spiritual civilization we are going to build, and are the indispensable spiritual support for our reform, opening up, and the modernization drive. Experience has proven that if the officers and men are armed with these "five revolutionary spirits," they will vigorously make explorations and accept scientific new ideas and new things, consciously resist the onslaught of evil winds and noxious influences, withstand the test of complex environments, adhere to the purpose of serving the people wholeheartedly, and maintain the revolutionary soldiers' noble quality of working arduously and making selfless sacrifices.

In conclusion, Jiang Zemin said that our great cause needs solid unity. The grand cause of reform, opening up, and the modernization drive we are undertaking requires that we bring the initiative from all sources into play and that the whole party, the whole Army, and the people of all nationalities across the country work in unity and with one heart and one mind. In the new situation, we should further strengthen the unity between officers and soldiers, between the Army and the government, between the Army and the people, and the unity among leading bodies at all levels. The principle of unity between officers and soldiers embodies the purposes and essence of our Army and forms our priceless heritage for overcoming difficulties, defeating the enemies, and winning victories. We should carefully study the new relationship between officers and soldiers in the new situation, conscientiously carry out regular ideological-political work and managerial work, carry forward the fine tradition of respecting cadres and cherishing soldiers and of promoting unity between officers and soldiers, and cultivate the fine relationship of friendship, mutual aid, and intimacy between officers and soldiers. Unity among leading bodies at all levels constitutes the foundation and guarantee for unity among various Army units. This is very important, so we must grasp this work firmly and well. It is necessary to cherish the intimate relationship of sharing weal and woe between the Army and localities, and consolidate and develop the excellent situation of unity between the Army and the government and between the Army and the people.

Liu Huaqing, head of the PLA delegation, presided over today's plenary meeting. PLA deputies, including Zhang Zhen, Qin Jiwei, Chi Haotian, Zhang Wannian, Yu Yongbo, and Fu Quanyou, attended the meeting.

Notes Military Spending 'Shortage'

OW2203144193 Beijing XINHUA in English 1425
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—"The situation of Army building is good in general, but faces many difficulties and contradictions at the same time, of which

shortage of military spending is an outstanding one," China's party and military chief Jiang Zemin said here today.

China's per capita military spending is the lowest in the world, he added.

Jiang, Chinese Communist Party (CPC) general secretary and chairman of the Central Military Commission, made the remarks when joining in the discussion of the Army delegation to the Eighth National People's Congress (NPC) here today.

Fundamentally, Jiang said, solution to the problem of shortage of military spending depends on a bigger development of the national economy. "Only with greater economic, scientific and technological growth of the country will construction and development of the Army have a firm material basis," he said.

He urged the Army to actively participate in the country's construction and contribute to making the country prosperous and strong.

The Army should do a good job in its own construction and reform "in a positive manner and on its own initiatives, by proceeding from existing conditions," Jiang said.

The Armed Forces should be built up and developed in coordination with economic development and reform of the country in general, with emphasis laid on "quality-improvement," Jiang said, stressing the need to overall enhance the Army's combat capability with a Chinese-style of bettering the troops.

He called on the Army to take the lead in promoting progress of social ethics and stick to the principle of serving the people wholeheartedly and the fine tradition of hard work and selfless devotion.

Also, Jiang stressed the importance of education among the general public on national defense, urging the whole party and the people of the whole nation to cherish the Army and safeguard the honor of the Army.

Today's discussion was presided over by Liu Huaqing, head of the military delegation to the NPC, and high-ranking military officers Zhang Zhen, Qin Jiwei, Chi Haotian, Zhang Wannian, Yu Yongbo and Fu Quanyou were present at the discussion.

On International Situation, Army Mission

OW2203145393 Beijing XINHUA in English 1433
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—The international situation requires that Chinese national defence need to be modernized, said Jiang Zemin, general secretary of the Chinese Communist Party (CPC), here today.

Jiang expressed the view at a group discussion of deputies to the Eighth National People's Congress (NPC) from the Army.

Generally speaking, Jiang said, the current international situation is favorable for China. The world is going in the direction of multi-polarization, and a new strategic pattern is in the process of taking shape, he said.

Jiang said, "For a relatively long period of time to come, we can concentrate on economic development in a comparatively peaceful international environment.

"However, the world situation has its grim aspect. Power politics and hegemonism still exist; and regional wars and conflicts have never ceased. [no close quotation marks as received]

Jiang went on to talk about China's domestic situation. He summarized it as: "The situation is fine, problems exist; and the future is bright."

Jiang said the Chinese People's Liberation Army (PLA) plays a vital role in safeguarding state security and social stability.

Jiang said, "Historical experience tells us that there would be no national security and domestic stability without strengthened national defence.

"Modernization of national defence is an integral part of our socialist modernization, and national defence capabilities are an important embodiment of the national strength.

"Only with a strong Army which matches China's international status can the Chinese nation have reliable security in the world and the nation's socialist modernization proceed smoothly.

"The Army should be aware of its historical mission, strive to modernize itself, and increase its combat capabilities."

Gansu Deputies on Overhauling Coastal Regions

HK2303112293 Lanzhou Gansu People's Radio Network in Mandarin 2300 GMT 22 Mar 93

[Text] Narrowing the gap between the advanced coastal provinces and the interior is a key topic for discussion among our provincial delegation. Yan Haiwang, Gansu governor and people's deputy to the National People's Congress [NPC], said: Having a poor foundation and meager economic basis to start with, suffering from poor transportation, and being ill-informed is a constraining factor in our province's economic development. Therefore, while considering or doing something, we must proceed from this reality. We must not blindly compete with others in development speed. We are unwilling to lag behind, and are determined to narrow the gap through hard work.

Deputy (Tan Xiuguo) said: The fundamental difference between us and the coastal areas lies in the fact that we have not yet had our hands and feet completely unfettered.

Gu Jinchi, Gansu provincial CPC secretary and deputy to the NPC, maintained: The joining-up of the Euro-Asian continental bridge, the multiple-track project of Lanzhou-Xianjiang Railway, the construction project of Baoji-Zhongwei Railway, and changes in the method of allocating state funds, namely, directly pumping money into specific projects rather than areas, have provided our province with a new favorable opportunity. Whoever has seized on the opportunity will win the time, and have the initiative in promoting economic take-off in his hands.

Zhang Wule, vice governor and deputy to the NPC, held that since reform and opening up, the central and western regions in our country have taken an express train of fast economic growth. In the face of the gap which is increasingly widening, we must not lose our confidence. The eastern region is devoid of the strong points which exist in the western region, and vice versa. As long as we seek truth from facts, suit measures to local conditions, proceed from our province's reality, take different roads to getting rich, and fight our own battles to demonstrate our strong points, we can definitely boost our province's economic construction in a still faster and better way.

Guangdong To Reject 'Unfriendly' British Firms

HK2203091293 Hong Kong MING PAO in Chinese
22 Mar 93 p 4

["Sino-British Dispute Will Not Affect Shell's Investment; British Investment To Be Excluded From Guangzhou's Underground Railroad Project"]

[Text] Guangdong Governor Zhu Senlin said in Beijing yesterday: Although Sino-British relations have been adversely affected of late by Hong Kong Governor Chris Patten's political reform package, Guangdong Province still welcomes investment by some friendly British firms known for their cooperative attitudes. Guangzhou City Mayor Li Ziliu, however, stated that, if the ongoing Sino-British dispute fails to be resolved, the British consortia will be denied a chance to bid for Guangzhou's underground railroad project.

Zhu Senlin and Li Ziliu, who are attending the National People's Congress session in Beijing, were interviewed by Hong Kong reporters yesterday.

Zhu Senlin said: For example, Britain's Shell Company's investment in a petrochemical enterprise which is to be built in Guangzhou in collaboration with a Dutch company will not be affected. The project, which involves a total investment of 10 billion yuan, is currently the largest joint venture project in China. The project has already been approved by the central authorities and is currently undergoing a feasibility study.

Zhu Senlin pointed out: China will not welcome certain British consortia known for their unfriendly attitudes toward China, such as Jardine Matheson.

Zhu Senlin explained that the French Government was denied the chance to bid for Guangzhou's underground railroad project following its approval of the sale of jet fighters to Taiwan. However, the French case is different in nature. The French bid was given priority consideration primarily because France had good relations with China in the past, not because France could offer the best terms.

Li Ziliu stated, however, that Guangzhou is currently studying tenders put in by 13 consortia for Guangzhou's underground railroad project and is expected to come up with a decision in this connection in one or two months. Guangzhou City has decided that the British consortium should not be allowed to bid for the project if Sino-British relations deteriorate.

At present, Guangzhou City is still working to determine to whom the project should be contracted by considering such factors as technology and construction speed, among others. The British consortium's tender made is still under discussion. Nevertheless, whether there will be changes in this area will be determined by how things evolve in the future.

Guangzhou City originally planned to cooperate with a French consortium. After changes took place in bilateral relations in the wake of France's approval of the sale of jet fighters to Taiwan, however, no contract was signed. In another development, a person in charge of the Guangzhou Underground Railroad Company once pointed out that the bidding British consortium is superior in both technology and management in comparison with the other bidders.

Tibetan Leaders Hold News Conference

Discuss Reporters Visits

OW2303014593 Beijing Central People's Radio Network in Mandarin 1100 GMT 22 Mar 93

[“Excerpts” of news conference by Raidi, chairman of the Tibetan Autonomous Regional People's Congress Standing Committee, and Gyaincain Norbu, National People's Congress deputy and chairman of the regional people's government, with unidentified reporters on 22 March in Beijing; moderated by Li Xiande, secretary of the All-China Journalist Association; from the “Special Program on the First Session of the Eighth National People's Congress and the National Committee of the Chinese People's Political Consultative Congress”—recorded]

[Text] [Raidi] Ladies and gentlemen, friends from the press, Chairman Gyaincain Norbu and I are very pleased to have this opportunity to meet the press. For years, the press at home and abroad have shown great interest in, and reported a great deal on the situation in Tibet. I would like to express my heartfelt appreciation to them.

In the people's mind, Tibet is a mysterious and adventurous place. It is better to see once than to hear a

hundred times. If you stay in Tibet for some time, you will come to know that Tibet is a beautiful place with rich resources, an ancient culture, a long history, a brilliant culture, and beautiful mountains and waters—it is a remarkable place which produces outstanding people.

The Tibetans, together with other nationalities of the motherland, have over the long years made their due contributions to the birth and development of the Chinese nation. They are one of the important members of the big family of China. Tibet as whole is enjoying political and social stability. It can be truly described as good administration, harmonious people, and people living and working in peace and contentment. The situation is excellent in all aspects. Chairman Gyaincain Norbu and I are happy to answer questions raised by our friends from the press.

[Reporter] I work for JINGJI RIBAO. My question is that, in this year's Government Work Report, the annual growth rate of the national economy has been raised to 8-9 percent from the original 6 percent, so that the target of quadrupling the country's GNP can be realized in the next five years. I would like to ask you about the prospects of Tibet's economic development.

[Li Xiande] Reporter [Li Susan] has submitted a written question which is essentially similar to the one just raised by that gentleman. Let me read it out: I visited Tibet in late February. In the article I am going to write, I would very much like to quote the regional government chairman on his views of Tibet's economic development.

[Gyaincain Norbu] The central people's government has shown great concern for Tibet's economic development and people of all nationalities in Tibet. Our fraternal provinces and autonomous regions across the country have also given effective support and assistance to Tibet. The central authorities have adopted new preferential policies toward Tibet; these preferential policies are different from those for other provinces and autonomous regions. In particular, since we adopted the policy of reform and opening up, the central authorities have adopted a series of preferential policies and flexible measures for Tibet. On the one hand, the central authorities have adopted rehabilitative [xiu yang sheng xi] preferential policies toward Tibet's agricultural and pastoral areas; and, on the other hand, have provided large amounts of manpower, materials, and financial assistance to Tibet. As a result, Tibet's economic development as a whole has been quite rapid. In particular, peoples of all nationalities in Tibet have been greatly inspired in their thinking.

Tibet's economic situation in 1992 was as follows: The total output value was 3.27 billion yuan; total income was 2.75 billion yuan; total agricultural and animal husbandry output value was 2.57 billion yuan—representing an increase of 7 percent, 6 percent, and 10.9 percent respectively. From the industrial viewpoint, the total output value of primary industry exceeded 1.6

billion yuan—the absolute number is 1.615 billion yuan—an increase of 10.19 percent; total output value of secondary industry was 1.055 billion yuan, an increase of 9.11 percent; and total output value of tertiary industry was 1.2 billion yuan, an increase of 10.05 percent. Judging from Tibet's economic development in 1992, we may say that Tibet's economic development has initially broken the pattern of a low development rate.

The autonomous region held the first session of its sixth people's congress and the first session of its sixth autonomous regional committee of the Chinese People's Political Consultative Conference last January. Through examination and discussion of the Government Work Report, the sessions unanimously maintained that the theory of building socialism with Chinese characteristics should be regarded as the guiding thought for Tibet's future economic work and for thoroughly carrying out the guidelines of the 14th CPC Congress. We should persistently uphold the party's basic line, seize the opportune time to step up the pace of reform and opening up, and remove all obstacles and concentrate our efforts on developing the economy. Under such a guiding thought, how should we develop the economy? We should take the construction of a socialist market economy as the key objective, and readjust and optimize the industrial structure—attach great attention to primary industry, emphatically develop secondary industry, and accelerate the development of tertiary industry. This course of economic development has determined the objectives of Tibet's economic development in the years to come: By 1997, the GNP [guo min sheng chan zong zhi] should reach 4.8 billion yuan, an annual average growth of 8 percent; the national income [guo min shou ru] should amount to 3.68 billion yuan, an average 6 percent growth; the total output value of agriculture and animal husbandry should reach 3.3 billion yuan, an annual average growth of 5.18 percent. In addition, revenue should amount to 150 million yuan and the per capita income of peasants and herdsmen is set at 670 yuan. Aside from developing the economy, we should also set the optimization of the economic structure as our medium-term goal. We believe that this can be achieved through efforts. Over the past few years, the central authorities specifically increased investments in the construction of infrastructure and arranged the construction of some key projects, with a total investment of 3 billion yuan or more. The completion of the following key projects will bring about a significant change in Tibet's infrastructure construction: It involves the (improvement) of the Qinghai-Tibet Highway and other highways; the renovation the China-Nepal Highway; the construction of the Yamzho Yumco Power Station; the comprehensive control of the Yarlung Zangbo Jiang, the Nyang Qu He, and the Lhasa He; the renovation of the Bamda Airport; and the expansion of the Gonggar Airport. We believe that our construction objectives are attainable as long as we make efforts.

[Reporter] How are you? I am a XINHUA NEWS AGENCY reporter. I have some questions for Mr.

Gyaincain Norbu: When compared to previous years, has the number of Han nationality cadres working in Tibet increased or decreased? What about the relations between Han and Tibetan nationality cadres; are there contradictions and conflicts? The question, of course, includes the relations between you yourself and your Han nationality colleagues.

[Gyaincain] At present, there are more than 37,000 Tibetan nationality cadres, and the rest are Han nationality cadres. There are only 66,000 people of Han nationality in Tibet, which is less than 3 percent of Tibet's total population of 2,252,600; actually, it is only 2.9 percent. The 37,000 Tibetan nationality cadres and other minor nationality cadres amount to 67 percent of the total number of Tibet's cadres. Our Han nationality has made major contributions to Tibet's revolution and construction in the past few decades; this fact is deeply appreciated by the Tibetan people, including myself. When speaking of contributions, both our Han and Tibetan nationalities are inseparable. The relations between Tibetan and Han nationalities are as close as members of the same family. However, can we say that there is no misunderstanding at all, even a minor one? Even husbands and wives have some contradictions between themselves. It is impossible not to have some contradictions.

[Reporter, in English fading into interpreter's Mandarin translation] I am a reporter from the Netherlands. Mr. Raidi, you just called us friends in your opening remarks; I feel very grateful about this. All of us are very concerned about Tibet. However, in the last few years, many people have applied for a visit to Tibet, but all applications were disapproved. It would be very helpful if you could help us gain an opportunity to visit Tibet. Will our applications be approved?

[Raidi] As I just said, friends of domestic and foreign media circles, including all ladies and gentlemen at this news conference, have shown great concern for Tibet over the years. Since we adopted the policy of reform and opening up, it is not that people of the media circles have not been allowed to go to Tibet. As a matter of fact, both domestic and foreign reporters have continued visiting Tibet. Since last year, reporters from Germany, France, Nepal, and Japan have visited Tibet; and (Li Susan), a reporter for the U.S. NEWS AND WORLD REPORT, visited Tibet earlier this year. When they were in Tibet, the great majority of these reporters and friends of the media circles objectively, impartially, and truthfully reported the situation in Tibet to the public. Of course, we welcome friends of the media circles such as these reporters. The only thing you need to do to visit Tibet is to go through some formalities—that is, you can go to Tibet after you submit an application to our government's foreign affairs department.

[Reporter] I am a reporter of RENMIN RIBAO. Renovation of Potala Palace has been going on for many

years. How has the renovation progressed? How has the original face of the palace been preserved during the renovation? Thank you.

[Gyaincain] Renovation of Potala Palace is like this: Because the palace had not been repaired for a long time, many places were found to have caved in or to be out of alignment. As early as October 1989, the State Council decided to launch a project for renovating the palace and appropriated 40 million yuan for the project. The principal part of the Potala Palace renovation project has been undertaken mainly by skilled craftsman who are familiar with ancient architecture. Comrade Li Tieying of the State Council, who is also a member of the CPC Central Committee Political Bureau, is general secretary of the leading group in charge of the renovation project. The project is being carried out in this manner. Relevant central departments have also sent a number of experienced experts who are well-versed in the protection of ancient architecture and cultural relics to work with their Tibetan compatriots. The principle of preserving the original face and style of the palace has been followed in the entire renovation process. This is also in accordance with the regulations governing the preservation of ancient architecture. We have stressed in particular the importance of respecting traditions, science, and national and religious customs in the entire renovation process. Further, we have been very meticulous in design and construction. The third-stage construction project has been appraised and accepted; the quality in general and various other aspects of the project were determined to be good and satisfactory, and nothing amiss has been found. What is more important is that not a single item of the valuable relics were lost or damaged in the process. The large numbers of monks and laymen in Tibet all support the renovation project and praise the central people's government for rendering this great charitable and pious deed. Friends in the press, if you ever visit Lhasa, we welcome you to visit the Potala Palace.

Raidi Criticizes Dalai Lama

OW2303042293 Beijing Central Television Program
One Network in Mandarin 1430 GMT 22 Mar 93

[Video report on "excerpts" of news conference by Raidi, chairman of the Tibetan Autonomous Regional People's Congress Standing Committee, and Gyaincain Norbu, chairman of the regional people's government, with unidentified reporters and moderator Li Xiande in Beijing on 22 March; from the "Special Program on the First Session of the Eighth National People's Congress and the National Committee of the Chinese People's Political Consultative Congress"—recorded]

[Excerpt] [Reporter] I am from ZHONGGUO XINWEN SHE. I would like to ask a question. The central leaders published their policies toward the Dalai Lama in both the seventies and eighties. In the nineties, what is the policy of the Central Committee, with Mr. Jiang Zemin at its core, toward the Dalai Lama? Are there any changes in the policy? The Dalai Lama recently said that

he would send his representative to visit Taiwan. What are your comments on this matter?

[Raidi] The central government's policy toward the Dalai Lama is clear, definite, and consistent. It hopes that the Dalai Lama will end his exile at an early date, return to the motherland, and contribute to the motherland's unification, strengthening of national unity, and economic development, as well as to Tibet's prosperity and progress. The central government adheres to only one fundamental principle: Tibet is an inalienable part of China, and there is no room for haggling over this issue. If the Dalai Lama abandons the position of Tibetan independence and ends his activities of splitting the motherland, the door of contacts and talks between him and the central government would be wide open. The present situation shows that the Dalai Lama has not yet abandoned the position of Tibetan independence; nor has he discontinued his activities of splitting the motherland. So, there is neither a common ground nor a suitable atmosphere for talks between the central government and the Dalai Lama yet. For this reason, the responsibility for not holding talks completely lies with the Dalai Lama's side.

As for the issue of the Dalai Lama and Taiwan, I would like to explain first that both Tibet and Taiwan are inalienable parts of China. For this reason, we resolutely oppose political activities of any form by anyone designed to split the country. [passage omitted]

Comment on Dalai Lama

OW2203122693 Beijing XINHUA in English 1157
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—Raidi, chairman of the Standing Committee of the Tibet Autonomous Regional People's Congress, said here this afternoon that there is no change in the central government's policy toward the Dalai Lama.

At a press conference held here, Raidi told Chinese and foreign correspondents that the Dalai Lama is still welcome to return to China as early as possible.

Raidi said, "The door of negotiations is always open to the Dalai Lama." But the chairman stressed that there will be no room for bargaining over the question about so-called "independence of Tibet".

Tibet is an inalienable part of China, he stated.

"There will be no basis for negotiation if the Dalai Lama does not give up his idea of 'independence of Tibet,'" Raidi said, "so it is the Dalai Lama who should take the responsibility" for the fact the negotiations have not yet started.

Responding to a question about riots in Lhasa during Tibetan Lunar New Year, Raidi said that a tiny number of people stir up riots sometimes, but they will never succeed in splitting the country and are opposed by all the Tibetan people.

Expressing his welcome for foreign correspondents to visit Tibet, Raidi said he hopes to see objective and truthful reports about Tibet. "But those who distort facts out of prejudice are not welcome," he said.

Referring to the relationship between local Tibetans and the Han people who are working in Tibet, Gyaincain Norbu, chairman of the people's government of the Tibet Autonomous Region, said that the Han people have made great contributions to the economic construction in Tibet.

However, the number of Han people only accounts for 2.9 percent of the total population of more than 2.25 million in Tibet. "It is groundless for some people to assert that Han people are flowing to Tibet in great numbers for resettlement," Raidi added.

Discuss Human Rights Abuses

HK2203130593 Hong Kong AFP in English 1214 GMT
22 Mar 93

[Text] Beijing, March 22 (AFP)—Tibet is politically stable and developing well economically despite the separatist movement, two regional officials said Monday.

Raidi, chairman of the Tibet Autonomous Regional People's Congress, told a news conference that "sometimes a handful of people disturbed public order," but added that "the situation in Tibet is very good."

Gyaincain Norbu, president of the region, noted that Tibet recorded economic growth of seven percent last year, adding that the rate was expected to hit eight percent in each of the next five years.

Gross national product in China as a whole grew 12.8 percent in 1992.

Raidi denounced separatist activities "aimed at splitting the motherland," but refused to comment on the size of the independence movement or on recent protests in Lhasa, the Tibetan capital.

China asserted control over Tibet in 1951 and installed a communist government in 1953.

A Tibetan uprising within China spread to Tibet in 1959, but was crushed by Chinese troops, forcing 100,000 Tibetans and their spiritual leader, the Dalai Lama, to flee to India.

The Tibetan independence movement, led by Buddhist monks, surfaced again in 1987 sparking a brutal crackdown, international human rights organizations said.

Asked about human rights abuses frequently denounced by international groups, Raidi said only that 1,000 people who had broken the law "in various forms" were in jail in Tibet.

He added that any negotiations on the eventual return of the Dalai Lama to Tibet would depend on his abandoning his independence claims.

Raidi also rejected Tibetan claims of Chinese colonialism in the region, saying that there were just 66,000 ethnic Chinese in Tibet out of a total of 2.2 million inhabitants.

He invited foreign journalists to visit Tibet and observe its economic development, despite the fact that few Beijing-based journalists have been allowed to go there in recent years.

"Concerning the number and the timing (of journalists' visits), this will depend on circumstances and your fortune," he said.

Further on Human Rights

OW2203115893 Beijing XINHUA in English 1143
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—Whether there are human rights or not in Tibet is a question that the Tibetan people know best, according to Gyaincain Norbu, chairman of the Tibet Autonomous Regional Government.

Gyaincain Norbu expressed the view in a group interview here today while attending the ongoing First Session of the Eighth National People's Congress (NPC) as a deputy from Tibet.

There were no human rights to speak of before Tibet's peaceful liberation in 1951 for serfs in the region, who accounted for 95 percent of Tibet's population and were at the mercy of others, he said.

Upon the region's liberation, one million serfs became masters of their own destiny, he said.

Norbu compared old Tibet and the new to make his point.

In old Tibet there was not a single school worth the name; today the region has more than 2,700 schools with a total enrolment of 200,000.

Women in old Tibet had no political rights at all. They now enjoy equal rights in political, economic, cultural and other fields.

Senggen Losang Gyaincain, a living Buddha and vice-chairman of the Standing Committee of the regional people's congress, said lamas enjoy human rights, too, today.

He said the past decade has seen the renovation and repair of 1,400 monasteries and other places of religious worship in the region. Today, Tibet's 34,000 living Buddhas, monks and nuns can pursue religious activities under the protection of the constitution and relevant laws.

Losang Toinzhub, the mayor of the regional capital of Lhasa, said, "Today, the average life span of the Tibetan people has reached 60, compared with only 30 before liberation."

Chen Kuiyuan, the party chief of Tibet, said a few Western countries attacking China over the so-called human rights issue in Tibet are not really concerned about the human rights and destiny of the Tibetan people but are intent on undermining stability and unity in the region. Their action represents blatant interference in China's internal affairs and goes against the will of the Tibetan people, he said.

Discuss Economic Development

OW2203132293 Beijing XINHUA in English 1255
GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—Recent years have witnessed a fairly rapid economic development in Tibet, according to Gyaincain Norbu, chairman of the regional government of Tibet.

Gyaincain Norbu, who is attending the ongoing First Session of the Eighth National People's Congress in the Chinese capital, talked about the economic situation in the region at a news conference held here this afternoon.

Raidi, head of the regional legislature, was also present at today's news conference.

Both Gyaincain Norbu and Raidi are deputies to the Eighth NPC.

According to Gyaincain Norbu, in 1992, government revenues in Tibet exceeded 100 million yuan, a record in history; the region's GNP reached 3.27 billion yuan, up six percent over the previous year; its total grain output stood at 600,000 tons; most farmers and herdsmen had enough food and clothing; and per capita income in rural and pastoral areas was 485 yuan, 30 yuan more than in 1991.

He said remarkable progress has been made in Tibet in the development of energy, communications and telecommunications.

The head of the regional government attributed the achievements to whole-hearted and all-round support by the central government in the way of providing professionals, and material and financial aid.

Talking about future development, Gyaincain Norbu said, by 1997, the region's GNP will reach 4.8 billion yuan, increasing at an annual rate of eight percent between now and then; its total industrial output value, 3.3 billion yuan, growing 5.1 percent yearly; government revenues, 150 million yuan; and per capita income, 670 yuan.

The regional government has attached great importance to environmental protection in Tibet, he said.

The regional legislature has promulgated a series of regulations to strengthen the protection of grassland and water resources in the region, Gyaincain Norbu said.

At present, forest areas in the region cover 6.32 million hectares, with 220,000 hectares being artificially planted. The region has established seven nature reserves covering a combined area of 325,000 square kilometers, he said.

Qian Qichen at NPC News Conference

OW2303121793 Beijing Central Television Program
One Network in Mandarin 0700 GMT 23 Mar 93

[News conference by Qian Qichen, state councillor and concurrently minister of foreign affairs, hosted by Zhou Jue, press spokesman of the First Session of the Eighth National People's Congress, with foreign and domestic correspondents; held in the Great Hall of the People in Beijing—live]

[Text] [Zhou Jue] Ladies and gentlemen, today I am very pleased to have invited Qian Qichen, state councillor and concurrently foreign minister, to meet with you and also to answer your questions on the international situation and on our country's foreign policy. Now we will ask Foreign Minister Qian to speak.

[Qian Qichen] Ladies and gentlemen, today I am very pleased to meet with you friends from the press. I will be happy to answer your questions on the international situation and China's foreign policy. Now, please, your questions.

[Unidentified reporter] I am a correspondent from ITAR-TASS NEWS AGENCY. Foreign Minister Qian, I would like to ask your opinion on the recent developments of the situation in Russia?

[Qian Qichen] Russia is our neighbor. It is natural that we show our concern about the recent situation and development over there. It is China's consistent policy not to interfere in other countries' internal affairs. China hopes Russia can properly solve its problems in a stable manner; and we hope Russia will enjoy stability. Whatever happens in Russia, China's willingness to develop friendly and good-neighborly relations with Russia on the basis of the five principles of peaceful coexistence will not change.

[Unidentified reporter] I am from the China International Radio Broadcasting Station. Premier Li Peng said in his Government Work Report that China will make efforts to seek meeting points of common interest with Western countries. So my question is: Where are the meeting points, and how will China go about finding these meeting points? Thank you.

[Qian Qichen] I think the most important common interests lie in bilateral economic cooperation and economic and trade relations, which are beneficial to both

sides. China will seek cooperation with Western countries in economic and trade affairs and seek ways to ensure peace in the world and prevent turmoil—either in our region or in the world. These are some of the common interests. As for the problems that exist in each individual country, they should not become obstacles to the development of mutual relations.

[Unidentified reporter] I am from the Taiwan Television Company. North and South Korea joined the United Nations in the form of one nation, two governments. My question: Under what circumstances and in what form will Mainland China consider the question of agreeing to Taiwan's joining the United Nations so that Chinese people will have two seats in the UN?

[Qian Qichen] Taiwan's return to the United Nations is out of the question. It is because the situation here is totally different from the two Korea's and the two Germany's, when they simultaneously occupied respective seats in the United Nations. After the founding of the People's Republic of China, the Taiwan authorities illegally occupied China's seat in the UN for over 20 years. And in 1971, the UN General Assembly adopted a resolution to expel the Taiwan authorities from the UN and restored the seat to the People's Republic of China in the United Nations. Therefore, the situation is different from others.

[Unidentified reporter, in English] I am from UPI. Last week in this room your counterpart from the Trade Ministry made a direct threat to British economic interests over the political issues involving Hong Kong, and now that China has joined the ranks of countries that are willing to use economic pressures to work on political problems, what justification do you have now to state that, for example, the United States should not impose human rights conditions on China's most favored nation [MFN] trade status?

[Qian Qichen] I think the things you have just referred to are totally not one and the same. Confusion surrounding the Hong Kong question has been caused by Chris Patten's unilateral action and, of course, will affect Hong Kong's stability and prosperity. As for Sino-British relations, including economic and trade relations, we do not want to see them affected in any way. What Mr. Li Lanqing meant at the press conference the other day was that if the situation continues, Sino-British economic and trade relations will be subjected to interferences [gan rao] and damage [sun shi]. If that situation arises, the responsibility does not lie with the Chinese side; this is something that we do not want to see.

[Unidentified reporter] I am a reporter from the Central People's Radio Broadcasting Station. I wish to ask Foreign Minister Qian a question. Taiwan independence forces have recently developed in Taiwan—what is the attitude of the Chinese Government toward this development? In addition, the Taiwan authorities recently advocated dual recognition, and there is a lot of talk

about returning to the United Nations. Foreign Minister Qian, what are your comments on these issues? Thank you.

[Qian Qichen] We are resolutely opposed to all activities aimed at Taiwan independence.

In this regard, our attitude is very firm and we believe that our attitude is in accord with the common demand of the Chinese people, people on both sides of the strait. As to the question of Taiwan's returning to the United Nations, I have already answered that question earlier. On the question of dual recognition, there is indeed a root cause behind this historical development. At the time when the People's Republic of China was founded, only a few countries recognized us; however, with the development of the past several decades, there are now 155 countries that recognize the PRC. In the past, there were quite a number of countries that recognized the Taiwan authorities, but with development over the years, only a few small countries now recognize Taiwan. In Asia, no country recognizes Taiwan; in Europe, apart from Vatican City, no other country recognizes Taiwan; and only a few small countries in Africa and Central America recognize them. It is impossible to have dual recognition; there has not been single case of dual recognition so far, and there will not be dual recognition in the future.

[Unidentified reporter] I am a correspondent from the Hong Kong SOUTH CHINA MORNING POST. The political issue concerning Hong Kong has now seriously affected Sino-British relations. My question is: Will arrangements still be made for meetings between the foreign ministers of China and Britain? Will it be possible to solve the political issue through consultations between the two foreign ministers? Will the relevant incident affect the cooperative ties between China and Britain in the next new years, including the work of the Joint Liaison Group?

[Qian Qichen] In his message on 6 February, British Foreign Secretary Hurd said that if substantive progress can be made through negotiations between our two governments, he will have a meeting with me. But now it seems the conditions are yet not ripe because so far the talks between the two sides have not started. The Chinese and British governments have the responsibility to solve major issues concerning Hong Kong. As regards the basis for holding negotiations, it is the understanding of the Chinese side, and as Foreign Secretary Douglas Hurd has said, discussions will be held without preconditions. It is our understanding that our discussions should be conducted on the basis of the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and other relevant agreements and understandings reached between China and Britain, rather than any other plans. I also emphasized that the implementation of the Joint Declaration in solving major issues concerning Hong Kong are matters for the Chinese and British Governments; no third parties should meddle in or interfere with the issues. If the political reform

package put forward by the Hong Kong Governor is to be submitted to the Legislative Council for deliberation in the form of a draft legislation before the two sides reach agreement, it will not help with the Sino-British talks that you have proposed. On the contrary, it will only place an obstacle in the way of talks. I hope that the British side will give the matter careful consideration. The above is the reply I gave to Foreign Secretary Douglas Hurd on 11 February.

[Unidentified reporter, in English] I am with U.S. NEWS AND WORLD REPORT magazine. A recently retired Chinese military leader told us recently that he would like to see all U.S. troops withdrawn from Korea, and that he would like to see the U.S. reevaluate its military [presence] in Japan.

[Unidentified voice, in English] Please say that again.

[Reporter from the U.S. NEWS AND WORLD REPORT, speaking in English] Yes. A recently retired Chinese military leader recently told our magazine in an interview that he would like to see all the U.S. troops withdrawn from Korea, and that he would like to see the United States reevaluate its military presence in Japan. Is this China's policy, or would China like to see all U.S. troops withdrawn from Korea and Japan?

[Qian Qichen] In principle, China does not approve of the stationing of arms on foreign soil by any big country. As for the issue that has been left over from the past as a result of the development of the situation as a whole, we hope that it will be gradually resolved. Regarding the question of the withdrawal of U.S. forces from South Korea, the United States itself is also having discussions on this matter.

[Unidentified reporter from Italy, speaking in English] [Words indistinct] Italy. In those days many countries in the West are very worried for the events in Soviet Union, or in the former Soviet Union. What is the Chinese Government's judgment on what is going on in Moscow, and does the Chinese Government have a stand on it? Thank you.

[Qian Qichen] I have already explained the position of the Chinese Government just now. As for how the situation over there will develop, now I think that it will be difficult for anyone in the world to make a very accurate prediction.

[Unidentified reporter] I am a correspondent from ZHONGGUO XINWEN SHE. Recently, there have been a lot of commentaries in foreign countries on China's increasing national defense budgets over the past few years. Some believed that China's rapid growth in military strength had aroused apprehension among its neighboring countries. What is your comment on this? In addition, some said that a new arms race is taking place in Asia. How do you view this remark?

[Qian Qichen] Concerning China's military spending, I would like to provide you with some information: First,

China's military expenditures accounted for about 2.2 percent and 1.6 percent of its GNP in 1985 and 1992, respectively, and it is estimated at 1.5 percent this year. Second, per capita military spending in China is only \$6 or so, compared with \$1,100 in the U.S. and \$300 in Japan. The exact figure of China's military expenditures is \$7.3 billion, whereas those of the U.S. and Japan are \$274.3 billion and \$37.7 billion, respectively; the figures for Britain and France are more or less the same. The average military expenditure per armyman in China is \$2,291, which is one sixty-eighth that of the U.S., one fifty-fifth that of Japan, and one fifty-fourth that of Britain. If we take into consideration the factor of commodity prices, in 1980 China's military expenditures were 18 billion renminbi, and in 1993 they will be 42.5 billion renminbi. While commodity prices increased by 1.3 times, military spending went up by only 1.16 times [figure as heard]. I believe that you can conclude from these figures that the level of China's military expenditures is very low and is solely for the purpose of defense. As for the situation in the Asia-Pacific region, I think it is a fairly stable region with dynamic economic growth. It is completely unnecessary to have an arms race here. We do see some countries in this region increasing their military expenses, and I think this is because that some armament industries have lost their markets in the wake of the Cold War. Because they need to seek new markets, they therefore have to create the public opinion that China poses a threat and that there is tension in this region in order to promote arms sales. This is probably what they are trying to do.

[Unidentified reporter] I am from NHK [Nippon Hoso Kyokai—Japan Broadcasting Corporation]. A RENMIN RIBAO editorial last month said that despite China's repeated warnings, some Western countries have sold advanced weapons to Taiwan and stirred up trouble on the Hong Kong issue. It seems that these are not isolated events. What is the minister's view of this?

[Qian] I think this is indeed a question deserving of our attention. For example, the Hong Kong problem. It should be said that the Hong Kong problem had been settled in 1984 when China and Britain reached an agreement. In the first nine years or so of the transition period, they coordinated fairly well and things ran quite smoothly. Now, less than four years are left before the end of the transition period; however, some moves suddenly cropped up and obstructed cooperation. Presently, some people are saying that Hong Kong has become a political city with more political demands as well as political groups compared with the past. Therefore, Hong Kong needs some changes. Such remarks have left an impression on people that the 1984 Sino-British Joint Declaration is outdated. I believe that such remarks involve a very serious problem—they mean to alter the agreement on the Hong Kong issue which has been reached, add some new contents to the agreement, and leave some new troubles to Hong Kong. China will not make concessions on such a matter of principle.

[Unidentified reporter] I am a correspondent from CHINA DAILY. On 21 March France held a legislative election, in which the ruling Socialist Party suffered a crushing defeat. Last year, the French Government granted approval for the sale of Mirage jet fighters to Taiwan, and this move has led to the deterioration of Sino-French relations. Do you think that the formation of a new Government in France after the election will be a turning point for the improvement of Sino-French relations, and how do you view prospects for Sino-French relations?

[Qian Qichen] If the second round of elections in France, to be held on 28 March, produces the same results as the first round, then indeed the new government will be formed in France. We place hopes on the new government of France. We hope that the new government will commit itself to the improvement and strengthening of Sino-French relations and will change some of the erroneous policies adopted by the former government.

[Unidentified reporter, in English] I am from YONHAP NEWS AGENCY in South Korea. Mr. Minister, may I ask one question about the issue on the Korean peninsula? The recent announcement by the North Korean authorities to withdraw from the Nonproliferation Treaty [NPT] has caused deep concern and attention from international society. Now so many countries, including South Korea and the United States, urge North Korea to cancel the planned withdrawal from the NPT; however, North Korea continues to refuse to accept it. So, if the situation escalates a little bit—this case goes to the UN Security Council to take sanctions against North Korea in retaliation for North Korea's objection to accept nuclear inspection—what is the Chinese position to this problem? And also is there any possibility for all parties concerned to solve this problem through peaceful negotiations? Thank you.

[Unidentified voice, in English] Could you repeat the last, the very last, sentence of your question?

[Reporter, in English] Is there any possibility for all the parties concerned to solve this issue through peaceful negotiations so that the situation can get on the right track?

[Qian Qichen] Over the last two years, the situation on the Korean peninsula has been moving toward relaxation, which has been well received by the international community. North and South Korea simultaneously joined the United Nations. The leaders from the North and the South have had many rounds of talks and concluded a series of agreements, including the nuclear free declaration on the Korean peninsula. In January 1992, North Korea signed an inspection agreement with the International Atomic Energy Agency [IAEA], after which the IAEA made special inspections. The position of the Chinese side on this question is clear cut. We do not want to see the presence of any nuclear weapons on the Korean peninsula. As for the problems that have occurred between North Korea and the IAEA, we

maintain that the problem should be solved appropriately through patient consultations. If the problem is referred to the Security Council, it will only be further complicated, so efforts should be made within the IAEA's scope. We are opposed to the application of sanctions. There are provisions in the NPT that say that a withdrawal takes effect three months after a country announces its intention to do so. There is no provision saying that those countries that withdraw from the NPT and those who stay away from the NPT should be subject to punishment; there is no international precedent.

[Zhou Jue] The last two questions please.

[Reporter] I am a correspondent from XINHUA NEWS AGENCY. U.S. officials have recently said that the renewal of its MFN status to China will hinge upon progress China can make in human rights, trade, and nonproliferation issues. What is your comment on this—how do you view the present state of Sino-U.S. relations and their future prospects, and what hopes do you have for the new U.S. Administration?

[Qian Qichen] The mutual granting of the MFN trade status between China and the United States is a reciprocal and mutually beneficial arrangement, which constitutes the basis of normal trade relations between two countries. Any political condition attached to MFN will be unacceptable.

The tortuous course of development of Sino-U.S. relations shows that dialogue is beneficial whereas pressure is futile. It is understandable that China and the United States have some differences. The important thing is to solve them properly.

So long as the two countries respect each other, seek common ground while leaving aside differences, and work to enhance mutual trust and reduce trouble, the differences can be overcome. It was during a Democratic administration that China and the United States established diplomatic relations. We hope that the new U.S. Administration will make efforts for the improvement of Sino-U.S. relations.

[(?Falazung), in English] I am Peter (?Falazung) from HANDELSBLATT, the German newspaper. What is China's view on the enlargement of the Security Council and especially the German ambition to be a member of the Security Council?

[Qian Qichen] Undoubtedly Germany is an important country. It is China's largest trading partner in Europe. There is strong momentum for the development of economic relations between the two countries. Soon the German economic minister will come to China for a visit. We understand Germany's desire to play a bigger role in promoting world peace and development. This is what I said to Foreign Minister Kinkel during his visit to China.

[Zhou Jue] That is the end of the news conference. Thank you.

Official on Deng's Role in Picking Leadership

*OW2303044993 Tokyo KYODO in English 0427 GMT
23 Mar 93*

[Text] Beijing, March 23 KYODO—A senior Communist Party official has admitted for the first time that "retired" patriarch Deng Xiaoping played a key role in selecting candidates for China's new state leadership team, the official PEOPLE'S DAILY [RENMIN RIBAO] newspaper said Tuesday [23 March].

Wang Zhaoguo, who heads the party's United Front Work Department, told the PEOPLE'S DAILY that Deng and several unnamed party elders were asked to comment on a provisional list of candidates for key positions including premier, president and chairman of the Central Military Commission.

Wang's comments reinforce the view of most Chinese observers that despite his professed retirement from political life, Deng, 88, continues to direct party affairs and dictate state policy.

The new government leadership team, which has already been chosen, will be officially "voted" in by China's parliament next week.

Session Decides on 'Name List' of State Leaders

HK2303033993 Hong Kong CHING CHI JIH PAO in Chinese 23 Mar 93 p 11

[Report from Beijing by staff reporter Li Hsiao-Chuang (2621 2556 8369): "Hu Jintao Is Reportedly To Be Elected First Vice President of the State"]

[Text] In recent days, the Eighth National People's Congress [NPC], which is in its first session, has decided the name list of state leaders. General Secretary Jiang Zemin will be concurrently state president; Rong Yiren, former vice chairman of the NPC Standing Committee, will be vice president; and Hu Jintao, currently member of the CPC Central Political Bureau Standing Committee, will become first vice president of the state. Hu is now being fostered and is expected to become a successor at the turn of the century.

According to sources, in the last term, there was only one state vice president, Wang Zhen. This time, two vice presidents will be elected. The election of Rong Yiren as vice president is aimed at uniting the democratic parties, or at least showing that on the surface, the CPC attaches great importance to their right to participate in the deliberation and administration of state affairs. However, in order to ensure the continuity of the CPC's leadership, the CPC will also set up the office of first vice president and appoint Hu Jintao to this office.

According to sources, while making it clearer that Rong Yiren is merely political decoration, the action of making Hu Jintao first vice president shows the CPC is afraid that the state presidency may fall into the hands of a noncommunist personage once the office becomes

vacant, as Article 84 of the PRC Constitution stipulates: "In case the office of the PRC president falls vacant, the vice president succeeds to the office of president."

In addition, the presidium of the First Session of the Eighth National Committee of the Chinese People's Political Consultation Conference [CPPCC] held its second meeting Monday [22 March] afternoon to consider and approve the election method. It also considered the name list (draft) of the chairman, vice chairmen, secretary general, and Standing Committee members of the CPPCC National Committee, and decided to pass it to various groups for discussion.

According to the election method approved at the meeting, elections at the plenary session will be held by means of secret ballot; candidates will be elected if winning more than one half of all votes cast by the entire committee members; and ballots will be counted by means of computer.

Li Ruihuan, who is going to become chairman of the CPPCC National Committee, presided over the meeting on Monday. Wang Zhaoguo, who is going to become vice chairman of the CPPCC National Committee, explained the name list (draft) of candidates on behalf of the CPC Central Committee.

Wang Zhaoguo said: Electing leaders of the new CPPCC National Committee is an important task of the current session. Through extensively soliciting opinions from all quarters inside and outside the Party, the CPC Central Committee worked out the proposed name list of leaders of the new CPPCC National Committee.

Fujian, Anhui, Heilongjiang Governors Meet

OW2303024993 Beijing XINHUA in English 0227 GMT 23 Mar 93

[Text] Beijing, March 23 (XINHUA)—The governors of Fujian, Anhui and Heilongjiang, who are here attending the ongoing session of the National People's Congress (NPC) as deputies, envisaged further opening moves to be taken in their respective provinces in an interview with XINHUA here today.

The three provinces have one thing in common: an easy access to the outside world, with Fujian on the coast, Anhui near the Yangtze River mouth, and Heilongjiang sharing a long border with Russia.

Fujian: To Enhance International Competitiveness

Governor Jia Qinglin said his province will concentrate on developing an export-oriented economy and enhancing the competitiveness of its products on the world market.

"China's coastal areas should take the lead in integrating the Chinese economy with the world economy," he said.

The future development of Fujian, Jia said, will be geared to forming an all-round opening pattern within

the province. This is designed to create dynamic production centers along the sea, the Minjiang River, the prospective railway between Fuzhou and Xiamen, and its border with other provinces, he said.

Jia gave details. The provincial government will adopt some free-port policies in the Xiamen Special Economic Zone;

At the same time, growth will accelerate for earlier-than-expected modernization in the province's 39 open cities and counties as well as in its three existing economic and technological development zones.

The province will make full use of its geographical advantage for the importation of more overseas investment funds, especially those from big companies for giant projects.

The province is expected to absorb 2 billion U.S. dollars in overseas capital this year.

Construction of the two investment zones of Yuanhong and Zhangzhou will be speeded up.

The provincial government will help establish a number of large export-oriented enterprise groups.

This year Fujian plans to export 5 billion U.S. dollars worth of goods, the governor said.

Anhui: Riparian Areas To Take the Lead

Governor Fu Xishou saw Anhui's good fortunes in the development of Pudong, an area wedged between Shanghai proper and the East Sea.

"Pudong and Shanghai need cooperation from areas along the Yangtze River," he said. "And Anhui is on the river and near them."

Fu pinned Anhui's future on two projects: an export-oriented economy in its areas along the Yangtze, and development of the cities of Hefei, the provincial capital with a strong contingent of technologists, and Huangshan, a tourist resort with Mount Huangshan as the main attraction.

One short-term goal is to expand exports, from industries, agriculture, township enterprises, and foreign-funded factories. To this end, export companies will be established in Chinese coastal cities and foreign countries.

Private businesses are encouraged to develop barter trade with foreigners.

Heilongjiang: To Further Expand Border Trade

Heilongjiang wants to fuel its economic development by expanding its trade and economic cooperation with Russia, its neighbor to the north.

To boost its goods transit capabilities, according to Governor Shao Qihui, the province will build high-grade

highways that will link Harbin, the provincial capital, with the border cities of Heihe, Suifenghe and Manzhouli.

Through-transport capabilities will be increased between Harbin and ports on the Bohai Sea to the south.

River-sea navigation will also develop between the province's rivers and the Tatar Straits.

Air routes will be opened between Harbin and Europe, North America, and cities in northeast Asia.

The province will actively participate in developing the northeast Asian economic development zone centering on the mouth of the Tumen River.

The province will launch more joint ventures in CIS countries, he said.

Shaanxi Governor Calls for Attention to Shaanxi

HK2303100493 Xian Shaanxi People's Radio Network in Mandarin 0010 GMT 23 Mar 93

[Excerpt] In their remarks when deliberating the Government Work Report, Shaanxi deputies to the First Session of the Eighth National People's Congress [NPC] earnestly called for quickening the development of western China, especially the great northwest to enable its economy to take off at an earliest-possible date and to narrow the gap with eastern and western China as soon as possible.

NPC Deputy Bai Qingcai said: The northwest accounts for one-third of China's total land area, and since reform and opening, the gap between western and eastern China, especially coastal areas, has obviously widened. This, of course, involves such questions as natural conditions, thinking, concepts, and work. The difference is also caused by such factors as state investment and policies. [words indistinct] It is completely correct to encourage some people and some areas to get rich first. And it is also inevitable that regions differ to a certain extent in their economic capabilities and in people's incomes. But if this difference cannot be narrowed for a long time to come but tends to widen, it will directly affect the implementation of the strategy of stepping up upgrading the economy. Therefore, whether viewed from the economic angle or the political angle, attaching importance to and developing the northwest and making great efforts to narrow its gap with coastal areas has become a pressing issue that has an influence on the overall situation. [passage omitted]

Political & Social

Article Reviews Recent Border Control Changes

HK2303110793 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 11, 15 Mar 93

[Article by Yao Lishi (6008 0500 4258): "China's Opening Up to the Outside World as Viewed From Its Exit and Entry Management"]

[Text] Several days ago this reporter learned from the Ministry of Public Security Exit, Entry, and Border Administration that since last year, all levels of exit and entry management organs in China, to cope with the new situation of reform and opening up, have constantly reformed and improved regulations and methods, simplified inspection procedures, and taken precautions against and curbed illegal and criminal activities including fleeing the country, thus ensuring a normal exit and entry order and receiving favorable comments from people going in and out of the country.

Powerful Proof of Expanding Scope of Opening Up

Last year, China's reform and opening up entered a new development period and saw a record high in people going in and out of the country. According to Ministry of Public Security statistics, the number of open ports in China increased from some 50 in 1978 to more than 180 last year; people going in and out of China increased from 5.65 million to 88.26 million; and transportation means (ships, planes, trains, and vehicles) going in and out of China increased from 320,000 to 8.17 million. In comparison with 1991, open ports and the total numbers of people and transportation means going in and out of China increased respectively by 16.9 percent, 25.2 percent, and 15.3 percent.

The changes in these figures powerfully prove that China has entered a new development period in opening up to the outside world.

According to statistics provided by the relevant department, among the people going in and out of China, travelers numbered 76.335 million, an increase of 26.8 percent over 1991; foreigners coming to China rapidly increased and amounted to 8.075 million, an increase of 43.8 percent; Chinese 81.85 million, an increase of 23.6 percent. The number of Hong Kong and Macao compatriots coming to China hit a record high, to stand at 67.577 million, an increase of 21.8 percent; Taiwan compatriots and overseas Chinese were respectively 2.761 million and 436,000, an increase of 41.3 percent and 37.7 percent. Mainland citizens going into and out of China for personal reason increased by a wide margin, to stand at 2.288 million, an increase of 43.1 percent; and mainland passport holders going into and out of China on official business (including diplomatic and other public affairs) numbered 7.121 million, an increase of 28.7 percent.

Liu Dianyu, director of the Exit, Entry, and Border Administration, pointed out: On the whole, the large-scale increase in the number of people going into and out of China indicates a new situation in China, the development of friendly relations between China and its surrounding countries, the prosperity of China's tourism, and the increase in economic, scientific, technological, and cultural exchanges. On the other hand, this also suggests that Chinese public security departments have implemented the policy of reform and opening up in exercising exit and entry management and

have continuously formulated new measures and new regulations favorable to exits and entries as well as to expanding the scope of opening up. In the whole of last year, no complaint had been lodged resulting from errors in border inspection stations' implementation of law. Now major "Regulations on Exit and Entry Inspection" (Draft) has been basically finalized along with the formulation of the relevant legal documents and internal rules, which will be implemented soon.

Reform Measures Which Produce Marked Results

In the first half of last year, with State Council approval, China abolished the regulation that Chinese citizens who wish to travel abroad on official business must obtain exit certificates (with the exception of going to countries with mutual visa exemption) and the regulation that Chinese citizens who wish to travel abroad for personal reasons must obtain exit cards. Unquestionably, this was a major reform in China's exit and entry management system.

Subsequently, to cope with the expansion of reform and opening up and facilitate exits and entries, the Ministry of Public Security Border Inspection Bureau in June last year formulated and disseminated a "Circular on Reforming Border Inspection Work to Cope With the Expansion of Reform and Opening Up," which carried 10 new specific regulations including the abolition of port restrictions for Chinese citizens to travel to three Southeast Asian countries and a demand for land border inspection stations to strengthen their links and cooperation with the neighboring countries' border inspection (immigration) departments.

After the dissemination of this circular, all levels of border inspection departments responded positively. The border inspection bureaus of Beijing, Shanghai, Tianjin, Guangdong, Heilongjiang, and Xinjiang public security departments (bureaus) began to introduce a number of reform measures such as providing full thoroughfares for exits and entries, carrying out inspection immediately upon travelers' arrival, letting travelers in before inspection, day and night inspection, and extension of port opening hours, thus facilitating exits and entries for travelers and vehicles.

Border inspection stations under the Guangdong, Hainan, Fujian, Zhejiang, Jiangsu, Shandong, and Liaoning Border Inspection Bureaus provide exit and entry procedures in more than 200 loading and unloading centers for small ships sailing between these centers and Hong Kong and Macao, helping them resolve the problem of taking roundabout ways and saving time and fuel. For Chinese ships, the Shanghai Border Inspection Bureau has changed the two-time on-the-ship inspection upon exit and entry into a one-time on-the-ship inspection upon exit, simplifying inspection procedures. The Suifenhe border inspection station of Heilongjiang Province has reformed its inspection and escorting procedures by abolishing the practice of escorting trains traveling between railway stations and border areas. The

Guangdong Provincial Border Inspection Bureau has delegated to border inspection stations the right to verify the inspection records of small ships sailing to and from Hong Kong and Macao. The Hainan Provincial Border Inspection Bureau has increased the number of "inspection books" to reduce the procedures for ships to come to inspection stations for certification.

As learned, to support the development of border and overseas tourism, the Exit, Entry, and Border Administration under the Ministry of Public Security will increase entry ports for Hong Kong and Macao tourists from two to 14 and will open all entry ports for Singaporean, Malaysian, and Thai tourist groups. In addition, for Heilongjiang and Xinjiang students returning for family visits from their studies in East Europe, this administration and the State Education Commission have formulated regulations authorizing Heilongjiang and Xinjiang to endorse exit certificates for them so that they do not have to travel over a great distance to Beijing to obtain exit certificates, thus facilitating their exit and entry procedures.

At the beginning of this year, the Ministry of Public Security disseminated a "Circular on Improving Port and Border Inspection Work" providing further stipulations on simplifying inspection procedures. For example, when Chinese ships return from international voyages, border inspection stations no longer carry out on-the-ship entry inspection procedures; the ships can start unloading and loading after being berthed. The circular provides that if there is a change in crew members and passengers on a foreign ship, the ship should provide the relevant border inspection station with a changed name list, but the border inspection station is not entitled to inspect the ship unless there are special conditions.

Efforts Continue To Be Made To Prevent and Curb the Criminal Activity of Sneaking Out of the Country

A person in charge of the Exit, Entry, and Border Administration pointed out: At a time when there is a large-scale increase in the number of people going in and out of China, illegal exits and entries are also prominent. Apart from seriously undermining China's exit and entry management system and order, this has also affected China's international reputation.

As learned, last year the Exit, Entry, and Border Administration implemented the instructions of the State Council and the Ministry of Public Security on stopping illegal emigrants and curbing illegal sneaking activities. It adopted powerful measures, and seriously studied, arranged, and carried out the work against illegal emigration. Last year, it unearthed and arrested 20,495 illegal emigrants, an increase of 17 percent over 1991. It arrested 17,166 people on the border and along the coast. Border inspection stations arrested 3,329 illegal emigrants, an increase of 34.2 percent over 1991. In January last year, the relevant departments of the Ministry of Public Security and the Ministry of Communications jointly issued a "Circular on Further Curbing Illegal

Emigration and Strengthening Management Over Chinese Ships Sailing on International Routes." Last year, 66 illegal emigration cases with 214 people involved were discovered in ports and on Chinese ships, an increase of respectively 6.5 and 1.9 percent over 1991. This has effectively prevented people in society from sneaking onto ships for illegal emigration.

Jiang, Li Peng Address Family Planning Meeting OW2103225593 Beijing XINHUA Domestic Service in Chinese 1212 GMT 21 Mar 93

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 21 Mar (XINHUA)—The CPC Central Committee and State Council today held the third family planning work conference. General Secretary Jiang Zemin, of the CPC Central Committee, pointed out at the conference that, while concentrating our efforts to accelerate economic development, we must strictly control the country's population growth. He said: Practicing family planning is a correct decision based on China's basic national conditions. This is still very necessary in the wake of establishing the socialist market economic system. The national policy of practicing family planning should be unwaveringly upheld for a long time.

Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, and Hu Jintao—all members of the CPC Central Committee Political Bureau Standing Committee—attended the conference.

Jiang Zemin said: Last year saw a high growth in the nation's economy. While quickening the pace of reform, opening up, and the modernization drive, all localities did not relax their family planning work, continued to strengthen their leadership over family planning work, and strictly enforced the objective management responsibility system on population and family planning, enabling the good trend in family planning work to continue and the work to yield relatively marked results. This experience is worth summing up and promoting. At the same time, we should soberly realize that currently the country's population situation is still grim. In the last two years, although the country's population growth has dropped somewhat, the number of births still exceeded 20 million each year, because the population base number is so large, resulting in a net increase of 13-15 million people a year. Such a high population increase is still a heavy burden for a developing country like China. As the country's economic and social development continues and as people begin to advance from just having enough to wear and eat to living a more comfortable life, social demands arising from population increase will continue to increase and contradictions between total social demand and total social supply will continue to exist. In addition, due to the constant population increase, some new social problems will keep on coming up. We must soberly realize this fact.

Jiang Zemin said: There are various reasons for the rapid drop in the country's birth rate over the last few years.

The current low birth level is still unstable; development of the country's family planning work is still very unbalanced—the birth rates in some localities are still quite high and unplanned births are still quite common. The peak birth periods of some provinces and autonomous regions lag behind the country's; therefore, the family planning work of these provinces and autonomous regions will be more difficult in the future. In the new situation of reform and opening up, our family planning work also has met with some new situations and problems; we need to seriously solve them.

Jiang Zemin said: Among the strategic objectives of the country's economic construction, we not only set a target for the overall national strength, but also proportionate targets for per capita income. Controlling population growth is an important and indispensable condition for achieving the country's second- and third-step strategic objectives. All localities and units must seriously fulfill their population plans according to the current family planning laws and regulations. We should always ensure that practicing family planning and controlling population growth are included in the overall planning for building socialism with Chinese characteristics. While we should be determined to develop the economy, we also should be determined to lower the birth rate and keep it within an appropriate limit. This is a historical mission bestowed on us by the times.

Jiang Zemin said: In the last few years, minority nationalities have achieved good results in practicing family planning. Facts show that practicing family planning among minority nationalities has helped people free themselves from poverty and is conducive to minority nationalities' overall development. Family planning has to do with the vital interests of hundreds of millions of people; therefore, we must do this work in a positive, prudent, and proper manner—we should tighten our grip on it and ensure that it is properly done.

Jiang Zemin pointed out: The focus of family planning work is in rural areas, and the difficulties of the work are also in rural areas. Family planning work should develop healthily on the basis of showing concern for and safeguarding peasants' interests, and we should strive to constantly achieve new results.

In conclusion, Jiang Zemin said: Family planning work can only be properly carried out if top party and government leaders personally engage in the work and assume the overall responsibility for it—this is the most important experience summed up from our practice over the years. We must continue to adhere to this. We should keep raising family planning work to new levels in the spirit of reform.

State Council Premier Li Peng said at the conference: We must continue to use the basic experiences drawn from practicing family planning work over the years that have proved effective, and strive to refine these experiences. The central authorities reiterate that the current family planning policy will not change, that the policy of

controlling the objectives of population will not change, and that the policy of top party and government leaders assuming overall responsibility for family planning work will not change.

Li Peng said: We should continue to place the focus of family planning work in the vast rural areas. Rural areas are the foundation of all social stability and development, and the rural population accounts for the absolute majority of the country's total population. Currently, the basic and grass-roots family planning work in rural areas in many localities is still very weak. Villages and groups in many localities still do not have people assigned to regularly do family planning work; these localities' family planning management and services do not meet work demands. This situation must be improved as soon as possible. While paying attention to developing the rural economy, leaders at all levels must take population problems into consideration. We must be determined to improve the grass-roots work networks of townships, villages, and groups to gradually make family planning work more regular, scientific, regularized, and law-based. In addition, we should strengthen enterprises' family planning work and seriously improve the management of family planning work among the floating population.

Li Peng said: Due to shortcomings and problems in their work styles and methods in conducting family planning work, problems have emerged in some localities that have infringed upon the masses' interests and impaired relationships between the party and the masses and between cadres and the masses. We must keep a sharp eye on these problems. Our purpose in promoting family planning is to serve the masses' long-term and fundamental interests; therefore, we must not shed the mass viewpoint and line under any circumstances. Cadres at all levels should pay attention to improving their work styles and methods.

Li Peng said: We should be more self-conscious in shaping the idea that population, the economy, society, resources, and the environment are a single entity. All concerned departments and mass organizations should join forces in conducting family planning work and should take comprehensive measures to deal with population problems. We should step up the building of family planning organs and its cadre corps. In the new situation of quickening the pace of reform, opening up, and economic construction, we must tighten our grip on family planning work and must not relax our efforts in this regard. We should explore new ways with Chinese characteristics for conducting family planning work.

Also attending the conference were Li Tieying, member of the CPC Central Committee Political Bureau and state councilor; Song Ping, chairman of the China Family Planning Association; as well as leaders and responsible comrades of concerned departments of all provinces, autonomous regions, and municipalities. Speaking at the conference were Sichuan Vice Governor

Ma Lin, Yunnan Governor He Zhiqiang, Jiangxi Governor Wu Guanzheng, Jilin Governor Gao Yen, and Fujian CPC Committee Secretary Chen Guangyi.

Birth Sex Ratio Not To Cause 'Major' Problems

OW2003125693 Beijing XINHUA in English 1024
GMT 20 Mar 93

[Text] Beijing, March 20 (XINHUA)—Experts on China's population recently stated that the change in the national sex ratio at birth over the past decade will not cause major problems.

Official statistics show that the sex ratio at birth started to rise at the beginning of the 1980s. The fourth national census conducted in 1990 demonstrated that the Chinese sex ratio at birth in 1989 was at 113.8 points, which means for every 100 baby girls born, 113.8 boys were also born.

Experts say that it is generally acknowledged that the normal sex ratio at birth is around 106 points.

Some Chinese demographers predict that by the middle of the next century, a large number of Chinese men will have problems in finding wives.

"The rise of China's sex ratio at birth is a glaring problem that might result in serious social consequences in the future," said a noted sociologist from prestigious Beijing University.

However, other demographers differ with this viewpoint.

Chen Shengli, senior statistician and deputy chief of the Planning and Statistics Department of the State Family Planning Commission, said he did not believe the change in the birth ratio will cause serious problems because some statistical points were somewhat inaccurate.

Chen said that past large-scale population censuses were not aimed at the investigation of the sex ratio. The present ratio, which is higher than normal, was the result of under-reporting of female births to a large degree.

Zeng Yi, a demographer from the Institute of Population Research at Beijing University and Gu Baochang, associate director of the China Population Information and Research Center, concur with Chen's reasoning. The two concluded in an article carried by the lastest issue of the "POPULATION AND ECONOMICS" magazine that the sex-differential underreporting of births accounts for half to three-fourths of the difference between the reported sex ratios at birth and the ratio expected under normal circumstances.

Chen Shengli, formerly a clinical doctor, said that the determination of sex ratios should rely on the number of babies delivered at hospitals, which are recorded immediately after birth.

"Calculated with the number of babies normally delivered at hospitals, the existing sex ratio at birth is about 108 and no more than 109," Chen said.

But would that ratio also cause problems?

"Maybe some problems," Chen said. "But as I see it, if a man cannot find a wife, it may be because he is poor and not so attractive. Economic reasons always speak loudly. The higher sex ratio is only a minor reason."

Chen pointed out that a slightly higher sex ratio can be self-adjusted. Normally, some people may get married more than once. The lower mortality rate for females would also leave more women to marry the extra men, according to the official.

In addition, he said that the State Family Planning Commission is paying close attention to the problem. It has also urged certain departments to study and find solutions to the problem.

Colleges To Introduce New Entrance Examinations

HK2003063793 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1136 GMT 14 Mar 93

[Text] Beijing, 14 Mar (ZHONGGUO TONGXUN SHE)—According to information provided by the Beijing Enrollment Office, Beijing's universities and colleges will introduce a new entrance examination system this year. The freshmen to be recruited will top 20,000.

According to the new system, students must attend the unified senior middle school graduation examination this year before they are allowed to attend the college entrance examination. This is designed to reduce the number of courses for the entrance examination. Each course will have two test papers. One will contain subjective questions and will be marked by teachers; the other will contain objective questions and will be marked by computers. Such a system can improve the marking quality and reduce relevant expenses. In addition to Beijing, Hubei, Hainan, Yunnan, and Guizhou will introduce the new college entrance examination system this year.

It is reported that to meet the demand in society, 520 colleges and universities in Beijing will increase the proportion of paying students to 25 percent of total freshmen. When recruiting freshmen, the universities and colleges will respect candidates' own will. The past practice of recruiting freshmen according to a unified plan will be abolished.

Qiao Shi Inscribes for ZHEJIANG TODAY

OW2003123993 Hangzhou Zhejiang People's Radio Network in Mandarin 1030 GMT 19 Mar 93

[From the "Provincial News Hookup" program]

[Text] Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee, recently inscribed the title for the magazine "ZHEJIANG TODAY."

"ZHEJIANG TODAY" is an inner-party monthly magazine sponsored by the office of the provincial party committee. Guided by the theory of building socialism with Chinese characteristics, the magazine will unwaveringly support and implement the party's basic line of "one center, two basic points," as well as its various principles and policies. It will at all times accurately relay and reflect the major decisions, intentions and direction of work of the provincial party committee; report on major events of the central authorities and the provincial party committee; exchange ideas, methods and experience of work among the various departments in various localities throughout the province, as well as with those in other localities and cities outside the province. It will also probe into and study the new situations and new problems encountered in the course of establishing a socialist market economy, as well as reform and opening to the outside world, and will strive to push forward Zhejiang's reform, opening up and economic construction, as well as party building, socialist spiritual civilization construction, and the establishment of a democratic legal system.

"ZHEJIANG TODAY" contains various columns, including "Inner News in the Wind," "Situational Report," and "Leaders' Speeches." It is a good help to the broad masses of party members, cadres, and in particular, to leading comrades at all levels in various departments.

Qiao Shi Visits Coastal Areas Exhibition

OW2103101793 Beijing XINHUA Domestic Service in Chinese 1344 GMT 20 Mar 93

[By RENMIN RIBAO reporter Lu Mu (7627 3668) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 20 Mar (XINHUA)—Comrades Qiao Shi, Liu Huaqing, Song Ping, and Li Lanqing visited an exhibition in the Beijing Exhibition Hall this evening. The exhibition, which opened yesterday, is about the achievements made by China's coastal open cities in reform and opening up.

In the brightly lit exhibition hall, various booths, with films, videos, pictures, and material objects, show the visitors the great achievements made by China's five special economic zones and 14 coastal open cities in economic construction and scientific and technological development, and in raising people's living standards. The exhibition sings the praises of the party's policy of reform and opening up.

Some staff members at the Tianjin booth told Qiao Shi about the good sales of (Xiali) automobiles. Qiao Shi said happily: It is nice to have good sales. He reminded them to prepare for the GATT membership test.

It is reported that China's coastal open cities and special economic zones, with 2 percent of the country's land, have a population of 100 million. Their 1992 gross product was 351.8 billion yuan, accounting for 18.1 percent of the nation's total.

Chairman of Ningxia Artists Federation Reelected

OW0903092193 Beijing XINHUA in English 0714
GMT 9 Mar 93

[Text] Yinchuan, March 9 (XINHUA)—Zhang Xianliang, a nationally famed novelist, was recently re-elected chairman of the regional federation of literary and art circles of northwest China's Ningxia Hui Autonomous Region.

Since 1984, when Zhang took the post for the first time, he has published a number of sensational stories focused on love and humanity.

Many of his works are based on his own bitter experiences.

He has been regarded as one of the most controversial writers in China as his novels often contain detailed descriptions on sex, which is a sensitive topic as Chinese readers are more traditional compared with people in the West.

Meanwhile, Zhang is seen by many people as among the most gifted and famous novelists in the country.

Since last October, Zhang has become an entrepreneur by setting up two companies, but the skillful love-story teller insisted that market is merely a temporary lover of his while literature is his partner to accompany him forever.

Military

Commentator on Revolutionary Spirit, Science

'Third Discussion'

HK2203115593 Beijing JIEFANGJUN BAO in Chinese
11 Mar 93 p 1

[Commentator's article: "Uphold the Principle of Integrating Revolutionary Spirit with Scientific Approach—Third Discussion on Carrying Forward the Five Revolutionary Spirits"; "second discussion" was published on page 42 of the 18 March China DAILY REPORT]

[Text] Our party has all along advocated integrating revolutionary spirit with the scientific approach. Either in revolutionary war years or in the period of reform and economic construction, while we brought our subjective initiative into full play, we adhered to the principle of proceeding from reality and following objective laws in everything we did. This is the basic experience by which our cause has been growing and thriving. To carry

forward the five revolutionary spirits under present circumstances, we must undoubtedly follow this principle.

The five revolutionary spirits initiated by Comrade Deng Xiaoping were based on dialectical materialism and the scientific approach. Marxism teaches us: In the general course of historical development, the material world decides the spiritual world and the latter reacts strongly on the former. Only by upholding the principle of combining the material world with the spiritual world rather than separating them or setting one against the other, can we avoid idealism and mechanical materialism and abide by dialectical materialism. While stressing the need to promote socialist material progress and cultural and ideological progress simultaneously, Comrade Deng Xiaoping proposed that it is necessary to vigorously carry forward the five revolutionary spirits "in line with the analysis of actual conditions and under the guidance of a correct political orientation." This problem is of great practical importance. Over the last few years, some comrades have developed two types of one-sidedness: They stressed revolutionary spirit to the neglect of the scientific approach or vice versa. They even placed revolutionary spirit on a par with "left" tendencies. These two types of one-sidedness are harmful to our practical work. We must be provided with certain material conditions before we can understand and reform the world. We must have weapons before we can fight a war; we must have tools before we can engage in production; and we must have funds before we can carry out construction. If we rely on a moment's enthusiasm in disregard of subjective conditions, we will certainly make a mess of things because we actually only display reckless courage. Conversely, if we do not make subjective efforts when objective conditions are ripe, failing to bring the initiative role of revolutionary spirit into play, we will let slip a golden opportunity and achieve nothing. By revolutionary spirit, we mean spirit under the guidance of a scientific approach, and by the scientific approach, we mean the scientific approach driven by revolutionary spirit. At any time we must combine the two in a dialectical way and should not emphasize either at the expense of the other.

To integrate revolutionary spirit with a scientific approach, we must uphold the "two-point theory." Things are complicated and usually many factors rely upon and restrain each other. In thinking over a problem and doing a thing, we must act in accordance with the true nature of the thing, take every aspect into account, and draw up a well-considered plan. For instance, in drawing up a work plan, we must display lofty aspirations and great ideals but we must also take into account real possibilities. In carrying out a reform, we must dare to think and to explore new paths, but we must also make an adequate feasibility study. In fulfilling a task, we must try our best, but we must also act according to our capability. In carrying on regular work in army units, we must work hard to solve ideological problems, but we must also do our best to solve practical problems. We

must encourage officers and men to courageously display the spirit of devotion, but we must also be concerned about their hardships and difficulties. And so on. In short, we must combine revolutionary spirit with the scientific approach into an organic whole in carrying on practical work in the Army. Of course, while adhering to the "two-point theory," we must focus on a certain key point in a certain period, and must concentrate our main energy on a principal tendency which needs to be attended to and make the job a success. While focusing on a key point, we must spend appropriate energy on minor points, as required by the internal links of things. Only in this way, can we attain the intended results. If we concentrate only on one point to the neglect of others, we will suffer.

To adhere to the principle of integrating revolutionary spirit with the scientific approach, leaders at all levels must study harder to master Marxist philosophy and further do away with metaphysics. The work method of "overemphasizing one aspect to the neglect of other aspects" originates from one-sidedness and absolutism in ideology. The basic way to solve this problem is for our cadres to study Marxist philosophy and apply it to practical work as well as to reform constantly their world outlook and methodology. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is permeated with dialectical materialism, namely with the spirit of "grasping two links simultaneously" in a common and vivid expression. In studying Marxist philosophy, we must try to acquire a profound understanding of and accurately grasp this scientific method of thinking and leadership skills. So long as we proceed this way, we will gradually stop acting blindly and enhance the level of consciousness, thus providing creative solution to all problems in the Army in the five revolutionary spirits.

'Fourth Discussion'

HK2303050293 Beijing JIEFANGJUN BAO in Chinese
12 Mar 93 p 1

[Commentator's article: "Advocate Lofty Ethics—Fourth Discussion on Carrying Forward the Five Types of Revolutionary Spirit"]

[Text] To carry forward the five types of revolutionary spirit, we must step up ideological and ethical construction and advocate such lofty ethics as strict discipline, self-sacrifice, selflessness, and putting others' interests ahead of one's own.

Is it really excessive and unrealistic to call on people to remain selfless and put others' interests before their own at a time when the socialist market economy is being vigorously developed? Our answer to this question is negative. It is true that ethics are a reflection of economic realities rather than an abstract concept divorced from historical development. As our country is still at the initial stage of socialism, we should and must advocate the type of socialist ethics that is commensurate

with this particular historical period. Meanwhile, we should also come to understand that social consciousness and social existence will not evolve and change simultaneously. As a component of the superstructure, ethics will not reflect economic realities in a negative and passive way; instead, it will positively act on the economic base. This is why advocating such communist ideological ethics as strict discipline, self-sacrifice, selflessness, putting other's interests ahead of one's own, and so on at the moment will contribute to developing a socialist market economy, consolidating a socialist economic base, and pushing ahead with socialist modernization construction rather than undermining a socialist economic base and impeding the development of a socialist market economy. Therefore, the broad masses of communist party members—especially the leading party cadres—who have taken communism as their final goal, as well as the broad masses of officers and soldiers from the CPC-led People's Army must try to guide their own remarks and behaviors with communist ethics so as to stand in the forefront of the epochal tide. In stepping up ethical building, we should not substitute general ethical requirements for high ethical requirements; nor should we try to foster advanced elements in accordance with just general ethical requirements, as this would inevitably downgrade our high ethical requirements. Rather, we should try to integrate high ethical requirements with general ethical requirements and guide people with varying degrees of consciousness to forge ahead together and produce a strong spiritual force capable of uniting more than one billion people. As long as we understand this point, we will certainly be able to understand why our party and Army began the vigorous advocacy of both socialist and communist ideological ethics, even at the stage of new-democratic revolution, and why a large number of communist fighters, such as Lei Feng and Su Ning, have emerged in the initial stage of socialism.

Our army's professional ethic also stands for advocating lofty ethics, this being one of the five types of revolutionary spirit. A soldier's profession is to defend the motherland with his blood and his life. The CPC-led people's Army whole-heartedly takes serving the people as its final goal and stands for such lofty ethics as strict discipline, self-sacrifice, selflessness, and putting other's interests ahead of one's own. This is where the Army's true nature lies. Ever since the day it was founded, the People's Army has taken the fundamental interests of the party and people as the point of departure and the country's prosperity and people's well-being as the sacred duty. The officers and soldiers of the Army have risked their lives and have made brave sacrifices in defending the country's security and four modernizations building and have worked their hearts out for and have exhibited selfless dedication to building a prosperous motherland and a strong army. They have gone through fire and water—and have never turned back when facing difficulties and dangers—in saving state property and protecting people's lives. This is why the Army has been known throughout the world as an army

with strict discipline, selflessness, and dauntlessness. It is thanks to its lofty ethics that the Army has won whole-hearted support of the people and has exerted a positive influence on social ethics overall. This is where both the Army's honor and its source of invincible force lie.

Lofty ethics should be advocated through education and training. To this end, we should carry out fruitful political education and ideological work so that such a mentality as putting the interests of the state and the people before everything else will take deep root among the broad masses of officers and soldiers so that they will be able to justly and forcefully reject all sorts of corrupt ideological ethics of the exploiting class, such as benefiting oneself at the expense of others, harming public interests to benefit oneself, money worship, seeking private gain by abusing one's power, swindling and extorting, and so on. By learning from such advanced models as Lei Feng, Su Ning, the "Good Eighth Company on Nanjing Road," the "Good Eighth Company on Gulangyu [Gulang Island]," among others, we should also try to guide the broad masses of officers and soldiers to meet the high ethical requirements and create a strong atmosphere in which the five types of revolutionary spirit will be carried forward and lofty ethics will be advocated among all troops.

'Fifth Discussion'

HK2303050493 Beijing JIEFANGJUN BAO in Chinese
13 Mar 93 p 1

[Commentator's article: "Long Live Revolutionary Heroism—Fifth Discussion on Carrying Forward the Five Types of Revolutionary Spirit"]

[Text] The five types of revolutionary spirit advocated by Comrade Deng Xiaoping all embody revolutionary heroism. To carry forward the five revolutionary spirits, we are to carry forward revolutionary heroism and strive for new victories in the revolutionary Army's modernization and regularization in the spirit of vanquishing all enemies and surmounting all difficulties.

The cause of revolution is a heroic cause, and the People's Army is a heroic army. This Army's course of fighting over the past more than 60 years has been a magnificent epic of revolutionary heroism. From the years of the revolutionary wars to the period of peaceful construction, this Army has been able to continuously defeat enemies which were sometimes stronger and has created miracles in the history of war in China and in the world. This Army has been able to brave untold hardships and surmount mountains of difficulties in accomplishing brilliant feats for the revitalization of our nation—not only because our cause is a just cause and we have the party's strong leadership and the people's wholehearted support, but also because the officers and men of this Army have been carrying forward revolutionary heroism from generation to generation. The Chinese nation has always been famous for its industry and bravery. After accepting the indoctrination of

Marxism, people holding such a fine moral tradition and creative potential can naturally develop revolutionary heroism in the course of the revolutionary struggle. Such spirit has found full expression in the course of fighting of the People's Army and has become a strong force of this Army for vanquishing all enemies and surmounting all difficulties.

This Army's revolutionary heroism, which was formed during the prolonged revolutionary struggle, has a rich content. Marshal Zhu De summarized this by saying: "Revolutionary heroism views the interests of revolution above anything else, shows a strong sense of responsibility to and a high degree of enthusiasm for revolution, shares concern and elation related to revolution, maintains utter devotion to revolution and a readiness to fight for the cause of revolution throughout one's life without giving narrow-minded consideration to one's personal interests, and maintains readiness to sacrifice one's personal interests and even contribute one's life without hesitation for the sake of the interests and needs of revolution." Concretely speaking, revolutionary heroism is primarily reflected in the selfless spirit of self-sacrifice, the valiant style of fighting, the faithful and unyielding spirit of revolution, the indomitable revolutionary will-power, and the heroic spirit of striving for the best and bravely scaling new heights. Undoubtedly, such spirit was indispensable in the years of revolutionary wars; it is also of great significance under the new historical conditions. The great cause of building socialism with Chinese characteristics is unprecedentedly arduous and requires tremendous efforts. This Army is shouldering the great and heavy mission of defending national security, safeguarding social stability, and participating in the process of the four modernizations. Therefore, we may encounter various expected and unexpected difficulties. We thus need to carry forward revolutionary heroism throughout this course. Without the fearless spirit based on the scientific belief and historical materialism, we cannot formulate the principles and policies for surmounting mountains of difficulties; neither can we actually implement the correct principles and policies while encountering difficulties. We should also notice that, under the conditions of reform and opening, we will be facing various unprecedented tests in order to fulfill our own historic mission and maintain the nature of the people's Army, and we still need to maintain the spirit of "being unsubdued by force, unshaken by poverty, and incorruptible by wealth." In one word, carrying forward revolutionary heroism is not only the glorious tradition of this Army; it is also a requirement of the contemporary era.

In the new historical period, we not only need to have revolutionary heroism but we also need to create conditions for carrying forward revolutionary heroism to a more profound degree and with a broader scope. We should go all out to foster the spirit of revolutionary heroism in connection with the actual work of the troops in the modernization process. In the course of routine education and training, we should temper the troops—

especially the willpower of the officers and the men—in difficult conditions and according to strict requirements so that they will develop an indomitable style in fulfilling urgent, dangerous, difficult, and important tasks. In various competitions and in appraisal through comparison, the troops should be encouraged to aim high and do the best job in the spirit of dedication. It is necessary to organize constant activities of learning the tradition and learning from the heroes in order to cultivate the atmosphere of "learning from the heroes' thinking, following the heroes' road, accomplishing heroic feats, and becoming new heroes" among the troops.

The bright prospects of our country are encouraging us to work hard; the grand objective of modernization is calling on us to accomplish great feats; and the social environment of reform and opening has provided us with a broad opportunity to achieve our grand aspirations. "Wearing a golden armored suit to fight a hundred battles on yellow sandy land, we shall not return until we have conquered Loulan." Let us rally closely around the party Central Committee and the Central Military Commission with Comrade Jiang Zemin as the core, carry forward the five types of revolutionary spirit, strive for new victories in building socialism with Chinese characteristics and this Army's modernization, and write a new chapter in revolutionary heroism!

Deputy Head of Logistics on Military Budget

HK2103025593 Beijing ZHONGGUO XINWEN SHE
in English 0523 GMT 20 Mar 93

[Text] Beijing, March 20 (CNS)—Despite an increase in military spending, China still sees its expenditure in this sector at a low level, just meeting the minimum needs of defence, the Deputy Director of the General Logistics Department of the Chinese People's Liberation Army, Lieutenant General Li Lun, said in an interview with this agency.

Mr. Li said that even though defence spending was put at RMB 42.5 billion for this year, ten percent up on last year's spending, the actual purchasing power tended to go downwards when taking into consideration price increases. Taking 1980 prices as a base, prices have risen by 130 percent and military spending by a mere 116 percent during the past 13 years, according to price index information released by the State Administration of Commodity Prices.

Compared with other countries and regions, China's per capita national defence spending is the lowest. National defence spending for this year is equivalent to U.S.\$7.33 billion calculated on the current official foreign exchange rate. Per capita defence spending for the military last year was U.S.\$2,291 compared with U.S.\$5,424 in India and U.S.\$17,000 in South Korea. The gap in military spending between China and the developed countries is much greater. Considering the defence spending of foreign countries last year, the average spending on China's

military was a mere one sixty-eighth that of the United States, one fifty-fourth that of Britain and one fifty-fifth that of Japan.

Mr. Li said that despite the salaries of military officers being a little higher than those of local cadres, income earned by the officers is actually lower than that of local officials in some areas. The military has replacement. Also, 100,000 military personnel have to be supported in their retirement as well as family members outliving military personnel.

It is necessary for China to build up a modern peaceful fighting force compatible with its national strength, according to Mr. Li, because of the vastness of its territory and its long coastline. The army's role is to safeguard the country's sovereignty and its maritime rights and interests while at the same time providing a safe and stable environment for economic development and reform.

Jinan Military Region Holds Meeting on Tradition

SK2003123893 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 16 Mar 93

[Text] More than 1,000 cadres and fighters from the managerial organs under Jinan Military Region and the People's Liberation Army [PLA] units under the military region as well as the family members of staff members and workers attended a report meeting on tradition by bearing the reality in mind on the evening of 15 March. Ouyang Ping, an elderly Red Armyman and former deputy political commissar of Jinan Military Region, delivered a speech. He gave facts and talked about principles in line with his personal experiences to cope with some comrades' blurred understanding of the socialist market economy defined at the 14th CPC Congress. He earnestly said: We have a market economy, and so does capitalism. However, our socialist systems remain unchanged, and the enforcement of the market economy is aimed at better consolidating or improving the socialist systems. We set markets against plans before but did not know that the advanced managerial styles and methods are the common wealth of human civilizations. Therefore, the development of productive forces and the enthusiasm of enterprises were adversely affected under the systems of a planned economy. The socialist market economy has dealt with these problems by introducing the competitive mechanism and letting the outstanding win and the inferior fail. The elderly red armyman's report and explanation of the profound put in simple terms frequently drew bursts of warm applause. Many fighters said they welcomed such a report meeting because it is very convincing and helps make it possible to deal with ideological problems.

Economic & Agricultural

GATT Effect on Electromechanical Industry

HK2203150593 Beijing GUOJI SHANGBAO in Chinese 6 Mar 93 p 3

[Article by Zhao Suying (6392 4790 5391): "Import Substitute, Export Guidance, and Even Development—On Guidance of the Electromechanical Industry After China Resumes Its Status as Signatory Party of GATT"]

[Text] I. Preliminary Analysis on Import Substitution, Export Guidance, and Their Strategic Goals and Policy Features

After China resumes its status as a signatory party of GATT, its tariffs will gradually be reduced to the common level of developing countries and its nontariff protection will also be put under strict restrictions. Such a situation will inevitably have various effects on China's economic development, especially on the development of the electromechanical industry. These effects not only have extremely far-reaching significance but also immediate significance. Therefore, no matter whether we judge the matter from a long- or short-term point of view, we can still see that such a situation has a dual meaning, both positive and negative.

The positive view we are talking about mainly refers to the fact that because China has enhanced the level of market opening and trade freedom, reform and opening up have become all the more irreversible, and Chinese enterprises have been forced to improve their economic efficiency and competitive capacity in all fields, including their technical and managerial levels. The negative view we are talking about mainly refers to the fact that the adverse impact on our domestic market and the threat to our national industries will add to factors that can lead to instability in structural reform, and also may give rise to many social problems, such as increasing the unemployment rate and widening income gaps.

In this case, these will become key issues which China's electromechanical industry needs to resolve urgently and can find no way to avoid, including how to head off adverse influence to the maximum limit, especially adverse effects during the recent development process, to remove obstacles for the future long-term development; and how to give play to positive influence to the maximum limit, especially positive effects during the recent development process, to facilitate long-term development. All these problems involve various factors, including both subjective and objective and both macro and micro factors, and one of them is the issue concerning guidance of industrial policy for China's electromechanical industry.

Guidance of industrial policy is a major issue that needs to be resolved properly during the economic development process of developing countries. This is because this issue is mainly aimed at guaranteeing the technological progress, structural optimization, and economic

growth of a country and bringing about long-term development and a virtuous circle in its national economy. To this end, we are faced with three choices, that is, import substitution, export guidance, and balanced development. These three choices will bear different strategic significance during the different stages of the industrialization processes of different countries.

Precisely because of this, developing countries are often confronted with a very knotty contradiction during the course of industrialization, that is, with a limited capacity to make international payments, they have found it impossible to satisfy strong domestic demands for imports. The imports we are talking about here have two implications: 1) They refer to demand for those products which China has to import from foreign countries in order to meet the needs of its economic development; and 2) they also imply demand for those products which can be produced by China, yet due to high production costs, Chinese enterprises turning out such products find it impossible to compete with foreign enterprises. Generally speaking, the structure of import demand will undergo constant changes alongside the different development levels of industrialization. Yet before our economy can make a take-off, such demands may always remain as strong as they were. Therefore, it is one of the chronic illnesses plaguing developing countries that their capacity to make international payments grows at a slower rate than import demand; as a result, their economic growth will be slowed down and the situation of imbalanced international revenue and expenditure will become even worse.

Judging from the practice of industrial development, there are only three ways to resolve this contradiction:

1. Developing national industries so that they can supersede necessary imports;
2. Exporting more products in order to increase necessary imports;
3. Trying to use converted international payments (such as donation, loans, or investment) to pay for necessary imports.

Of the above three ways, putting the third way aside, the first and the second ways can be regarded as import substitution and export guidance respectively. It is obvious that both of them are trying to alleviate imbalanced international revenue and expenditure during a country's industrialization process by limiting import demand and by increasing the supply of foreign exchange respectively.

Generally speaking, countries which choose import substitution as their dominant strategy are those which gain their basic motive power through rapidly increasing domestic investment. The pulling force of such demand in the domestic market enables imports to grow at a faster rate than exports; as a result, low-income countries have no alternative but to use import substitution, also known as export restriction, to alleviate contradictions

between imports and exports and enhance their own capacity to supply. The following are the major policy features of import substitution:

1. Protective tariffs. This means allowing domestic enterprises that produce import substitutes to dominate the market and gain profits through increasing import tariffs;
2. Nontariff barriers. This means minimizing the adverse impact produced by imported products on the domestic market by setting various open and hidden limitations on quantity;
3. Overestimation of currency value. This means that to stimulate resources to rapidly amass toward departments in charge of import substitution, domestic manufacturers are encouraged to develop the enthusiasm of the domestic market, and limit the official exchange rates under the balance point of foreign exchange supply and demand. In addition, it can also play a role in expanding imports. Under such circumstances, countries which practice import substitution are forced to constantly enhance the degree or increase the measures of protection.

On the other hand, countries that choose export guidance as their dominating strategy are those which gain their basic motive power by expanding demands for international markets and enhancing the domestic technological level. Coordination between the pulling force of such demands in international markets and the pushing force of supply in the domestic market will enhance the potential as well as the supply capacity of exports. In the end, the growth rate of exports will surpass that of imports, while exports guidance, also known as export expansion, will become an inevitable choice at a certain stage of the economic development. The following are the major policy features of export guidance:

1. Through currency depreciation, stimulating resources to rapidly amass toward departments in charge of exports;
2. Reducing exports to stimulate domestic demands to put an end to the poor economic efficiency resulting from excessive exports;
3. Reducing import protection (including tariff and nontariff protection) in a bid to improve export conditions, reduce obstacles for exports, and enhance the competitive capacity of enterprises in their efforts to move toward the world. In addition, export guidance can also play a role in expanding exports. Under such circumstances, domestic enterprises with a poor competitive capacity are forced to face grim market conditions and find themselves in disadvantageous positions when competing with others.

II. Preliminary Analysis on Import Substitution, Export Guidance, and Relevant Experience Gained and Lessons Learned in Practice

The above analysis has clearly shown that import substitution and export guidance are both double-edged swords, and during the course of practice, deviations in varying degrees are very likely to be made with their policy means and strategic goals. As a matter of fact, all countries, whether using import substitution such as Mexico, Brazil, and India, or using export guidance such as Turkey, ROK, and Taiwan, have gained dual experience of success and failure to different extents, and many of their experiences and lessons are well worth bearing firmly in mind.

Countries practicing the development strategy of import substitution often see negative effects mainly in the following aspects:

1. It is hard to enhance efficiency. Because of overprotection, domestic enterprises fail to enhance their technological and managerial levels for a long period of time, thus lowering the efficiency level and competitive capacity of the entire industrial sector;

2. Prices are seriously irrational. Because the production costs of import substitutes obviously increase and profits are put under policy protection, prices in the domestic market are seriously out of line with those in the international market. Such a situation will not only add to the burden of consumers but also affect the export capacity of enterprises;

3. Funds are wasted in large amounts. Because the constant value of exchange rates are set unduly high, domestic enterprises make excessive use of import input. As a result, the capital-production ratio or the degree of capital centralization is enhanced, thus making it hard to establish rational resource allocation.

Though such is the case, import substitution is still a development stage difficult for many developing countries to pass up during their industrialization process, and also serves as a basis or a prerequisite for these countries practicing the strategy of export guidance. This is because under the situation in which the income level is very low, import substitution is the only way to enhance the level of domestic demand and supply capacity, as well as an effective measure to fully utilize domestic resources to facilitate technical transformation and structural readjustments.

As a matter of fact, before they can successfully enter the international market and effectively carry out international competition, that is, before they can turn their economies from sealed ones to open ones, developing countries will, generally speaking, have to go through a development stage of import substitution. This is the case with many Asian countries, including the ROK and Singapore, and also with Latin American countries, including Brazil and Mexico. Many Chinese scholars believe that the greatest significance of the success of

Asia's "four little dragons" does not lie in their correct decision to choose the strategy of export guidance, but with their timely leap from the strategy of import substitution to the strategy of export guidance, and with their ability to seize favorable opportunities and create basic conditions to make such a change. What, then, are the basic conditions for such a change? Apart from certain natural geographic environmental elements and the international economic background, the following factors are of decisive and immediate significance.

The first is the appropriate enhancement of supply capacity. This means that alongside economic growth, technical leaps and structural optimization can gradually come about while the microeconomy can be fully injected with necessary competitive vigor.

The second is the effective mobilization of productive factors. This means, alongside the market cultivation, gradually putting into effect the market balance of capital prices (such as interest rates) and labor prices (such as wages), as well as the periodic depreciation of domestic currency.

The third is the introduction of large amounts of foreign funds. This means, with the development of opening up, vigorously utilizing overseas investment and international credit and guiding both to advance in a direction that is beneficial to bringing about a virtuous circle to our country's technological progress and structural readjustment.

The last is the proper interference of the government. This means ensuring a smooth accomplishment of all economic development targets at different stages with correct guidance of industrial policies, through effective readjustments of industrial organizations, and under the prerequisite of not dampening the vigor of enterprises.

It thus can be seen that, generally speaking, export guidance is indeed a natural choice for developing countries following import substitution, and therefore a higher development stage which is hard for these countries to pass during their industrialization process. However, in practice, the development strategy of export guidance has been placed under more and more strict restrictions by the following factors:

1. Protectionist forces in international trade are evidently gaining momentum. The gap between actual and nominal protection rates are increasingly wide, and protective measures of various kinds are appearing in an endless stream, among which are even retaliatory measures such as antidumping and antisubsidies. These protective measures, whether realistic or just a deterrent, will all hinder the smooth implementation of export guidance.

2. Excessive stress on exports will most likely result in stress on the supply of resources and funds. This means that resources and funds will flow from some industries that are at a higher technological level and can yield

better economic results (including trades and enterprises) to other industries (including trades and enterprises) that are at a relatively lower technological level with comparatively poor economic efficiency. Such a situation will affect technological leaps and structural optimization, and thus weaken the potential strength of a long-term development of the national economy.

3. Since the process of export guidance is closely related to the process of political reform, if the former undergoes rapid development while the latter remains sluggish, friction between different systems will most probably be aggravated during the process of changing tracks, and such a situation will lead to a series of concrete problems which will affect economic development and social stability.

III. Brief Introduction to the Strategy of Balanced Development, and the Objective Basis for China's Adoption of the Strategy of Balanced Development

Based on the above analysis, today's developing countries and development economics have placed greater stress on the need to free themselves from the unitary frameworks of import substitution and export guidance, and to replace unitary development strategies, such as import substitution and export guidance, with more realistic and effective pluralist development strategies. The analysis above has showed clearly that import substitution has the defect of providing excessive protection; in addition, its production policy decisions are divorced from the conditions of the international market. On the other hand, though it is precisely the main features of export guidance to gear to market needs and enhance competitive capacity, export guidance has the defect of excessive expansion which will result in sluggish development in science and technology as well as imbalanced industrial readjustments, and the defect of being unduly dependent on the international market for economic growth, thus giving rise to a series of problems of instability. Under such circumstances, it is precisely a basic target or a basic subject for the strategy of balanced development to realize or resolve how to make a correct choice on the good points and drawbacks of both import substitution and export guidance, and how to integrate appropriate import restrictions with proper export expansion.

The following are the major policy features of the strategy of balanced development:

1. While reducing tariffs in order to encourage free trade, we need to try our utmost to reserve certain restrictions on quality. At the same time, we need to increase, in varying degrees, the actual protection rate on certain products or tariffs on certain trade to a level higher than the nominal protection rate to ensure effective support for immature industries (including immature trades and products). Such preferential policies do not violate relevant stipulations of GATT, and can play a better role in enhancing the competitive capacity of enterprises than open or direct protection.

2. While depreciating our currency in order to encourage enterprises to make more exports, we need to adopt different actual exchange rates for exported and imported commodities respectively. In the meantime, differentiating the industry of import substitution from the industry of export guidance and maintaining different exchange rates for the two will be an effective measure to support healthy development of these industries.

3. Another important measure for maintaining balanced development is to vigorously encourage the introduction of foreign funds, especially the growth of direct international investment, in a bid to narrow the gap between imports and exports of barter trade. What merits attention is that a balanced development places its stress not only on the gross scale of foreign fund introduction, but on the structure of foreign fund introduction and utilization as well, and its fundamental aim is to do everything possible to enhance technological levels and optimize the industrial structure of the country.

Obviously, what the strategy of balanced development stresses is a structural policy, which not only attaches importance to concrete national conditions of different countries at different development stages, but also places emphasis on the different development levels of different departments and regions of a particular country. In fact, the industrial policy guides of those developing countries which can maintain a fairly high growth rate are all noted for such structural features. Countries and regions such as the ROK, Singapore, and Taiwan chose to adopt a dualist development strategy which attached equal importance to import substitution and export expansion in the seventies, and readjusted it in the eighties into a policy of guidance which places greater emphasis on the development of quality and vigor. The "modest" or "neutral" industrial guidance principles adopted by Thailand, Greece, and Israel since the eighties are successful examples of the strategy of balanced development.

Compared with the aforementioned countries and regions, China has more reasons to choose the strategy of pluralist development or balanced development. The following are three reasons:

First, since China is a country that has a big population and enjoys a fairly great potential for development, our domestic market is noted for a considerable capacity and an extremely appealing future. In particular, after China resumes its status as a signatory party to GATT, the domestic market will go through a process of internationalization. Being attracted by such a huge domestic market which gradually links itself with the international market, more and more investors from various countries are eager to have a try. Under such a situation, if we adopt the policy of "uniformity" and use the unitary development strategy to standardize China's market cultivation process, we may easily lose a large part of our domestic market as a result of an incorrect policy guidance.

Second, being a country which sees sustained economic growth but imbalanced development, China can only fix its development strategy in light with the different development levels of different departments and regions, so that it can bring about a balanced development to the national economy and give play to the unique superiorities of different regions and departments. If we adopt the policy of "uniformity" and use the unitary development strategy to standardize China's realistic situation of unbalanced development, we may give rise to a passive situation in which one may spoil things by excessive enthusiasm or may act in a procrustean manner.

Third, being a country which has both a basically complete industrial system and an irrational industrial structure, China should adopt a development strategy which can attach equal importance to pluralist targets, including scientific and technological development, resource allocation, and comprehensive national strength to enhance its overall technological standards, optimize its general industrial structure, and improve the comprehensive quality of the Chinese nation. If we adopt the policy of "uniformity" and use the unitary development strategy to standardize China's actual situation of pluralist development, we may ruin the achievements we have gained during past development as well as misguide development trends in the future.

IV. The Development Strategy and Industrial Policy Guidance of China's Electromechanical Industry

China's export capacity of electromechanical products.

1. Though it has undergone fairly rapid growth in recent years, the proportion of China's electromechanical product exports in the country's total export volume (absolute export capacity) has never exceeded 18 percent. Therefore, the industry has a long way to go before it can be worthy of the position as one of the country's pillar industries.

2. During the same period, the proportion of the world's electromechanical product exports in the world's total export volume (absolute export capacity) basically remains at a fairly high level of 38-40 percent.

3. From the fact that China's export capacity of electromechanical products is less than 50 percent of the world's export capacity of electromechanical products, one can see that China has evidently lagged far behind the world!

Conditions for China's export of electromechanical products.

1. Though it has undergone fairly great improvement, the conditions for China's export of electromechanical products still remains obviously at the stage of "the exchange-using industry." On the average, foreign

exchange lost through the export of one unit of electro-mechanical products can only be made up by foreign exchange earned through the import of two units of such products.

2. In the meantime, qualitative breakthroughs have been made in the overall conditions of China's commodity exports. During the period between 1990 and 1991, China maintained a basically balanced import and export trade with a small surplus. This fact serves to show that China has already entered a virtuous circle of normal development and also possesses the capacity of making international payments under the condition of balanced development.

3. Compared with the average national level, the export of electromechanical products still faces grave conditions. Without a fundamental renovation in technology or a thoroughgoing transformation in the mechanism, breakthroughs cannot be achieved in a short period of time.

In 1991, the import and export volume of China's electromechanical industry accounted for about 36 percent of the country's total industrial output value, which still lags behind the indexes of the same category of the export-guided industries in foreign countries (the figure in foreign countries generally stands at about 50 percent). Of this, the proportion of exports only makes up 13 percent of the total industrial output value, which falls farther behind the indexes of the same category of export-guided industries in foreign countries (the figure in foreign countries stands at at least 30 percent). With the addition of the long-standing problems in China's electromechanical industry, such as a high organic composition and low output efficiency of capital, I believe it is very hard to bring about a fundamental turn from import substitution to export guidance within a short period of time.

To sum up, basic conditions are not ripe yet for China's electromechanical industry to change from import substitution to export guidance. Just as with China's overall national economic development, the electromechanical industry should also adopt a strategy of balanced development with a view to gradual improvement of export conditions and enhancement of export capacity. To this end, China's electromechanical industry should work in close coordination and work out a corresponding industrial policy guide. In line with the principle of bringing about organic integration between appropriate import substitution and export expansion, that is, the principle of giving simultaneous attention to both domestic and overseas markets, efforts will be taken to gradually replace import substitution with export guidance in the same trade (referring to small trades), and to attach equal importance to both export guidance and import substitution in different trades (also referring to small trades). We are determined to write a well-organized, coherent, and systematic article in line with the different development levels of different trades inside China's electromechanical insides.

Official Promises More Reform in Foreign Trade

HK2303101393 Hong Kong *MING PAO* in Chinese
18 Mar 93 p 9

[**"Special Dispatch": "Wu Yi Stresses That System of Approval for Operational Power in Foreign Trade Will Eventually Be Abolished"**]

[Text] Wu Yi, vice minister of foreign economic relations and trade, stated that with the development, completion, and perfection of the market economy, China would eventually abolish the system of approval for operational power in foreign trade.

According to Wu Yi, by the end of last February, establishment of some 4,000 foreign trade companies had been approved China, of which: Some 100 were companies newly approved at prefectural and county levels; 100 scientific research institutes where conditions were ripe had operational power approved in foreign trade for export of science and technological products and related technologies; 925 production enterprises were approved for foreign trade operation, half of which were granted such power last year; all 90,000 foreign-funded enterprises enjoyed operational power in foreign trade; in addition, 70-some international companies of economic and technological cooperation were granted operational power in foreign trade, and 23 large and medium department stores were granted operational power in barter trade with some countries.

Wu Yi said that in the central decision on accelerating tertiary industrial development, it was set out that for goods and equipment as well as commercial enterprises where conditions were ripe should be granted operational power in foreign trade. Presently, related conditions and measures for approval were basically formulated. Through consultations with related departments, the Ministry of Foreign Economic Relations and Trade [MOFERT] had decided to select some enterprises where conditions were ripe to conduct experiment before the measures were presented.

Wu Yi said that with the development, completion, and perfection of the market economic mechanism, China would eventually abolish the system of approval for operational power in foreign trade like most countries in the world.

However, the present conditions are immature:

First, presently, enterprises in China have not established mechanisms for assuming sole responsibility for their profits and losses, and the necessary restrictive mechanism is not on the horizon.

Second, China is a country with a population near 1.2 billion, its productivity level is relatively low, and the contradiction between general social supply and demand will last for a long time; this being the case, it is

imperative to have unified planning with due consideration for both the domestic and overseas market to insure the basic demands of production and people's livelihood at home.

Third, it has not been long since China opened up to the world, and the majority of enterprises do not have much knowledge about world trade, laws governing it, and information in this area. It is imperative to conduct necessary examination, guidance and control over enterprise operational capability, the quality of personnel, as well as products. And,

Fourth, China has not yet ironed out its price structure, its prices on the domestic and world market are not linked, and an effective mechanism of regulation and control has not been set up; under such circumstances, should there be excessive foreign trade enterprises, it would seriously affect China's economic development. Thus, implementation of the system of approval for operational power in foreign trade should continue.

Wu Yi said that under the precondition of implementing relevant state regulations, MOFERT had already simplified the procedures for granting operational power in foreign trade to production enterprises by adopting the method of examining and approving them in batches and issuing documents of approval concerning groups of enterprises, thus accelerating the process of approval. Regarding those scientific research institutes where conditions were ripe, the process of granting them operational power in foreign trade had also been accelerated.

Wu Yi indicated that there was no limit to approval of enterprise foreign trade rights provided their conditions were ripe.

In addition, she said that presently the trend of regional grouping in the world economy was making itself increasingly keenly felt; enterprises in many countries were implementing mergers and combination to augment their competitiveness. In such a situation, should China's foreign trade be excessively dispersed, it would be very unfavorable. Thus, China's foreign trade should also implement operations in groups, all enterprises, whether they had acquired operational power in foreign trade or not, should gradually combine to improve their competitiveness in the world market.

Article Rejects Fears of Economic Overheating

HK2203121593 Hong Kong *CHING CHI TAO PAO* in Chinese No 10, 15 Mar 93 p 27

[From "China Economic News" column: "China's Economy Will Still Grow at a Fairly High Rate This Year"]

[Text] The Second Plenary Session of the 14th CPC Central Committee has discussed and approved the "Proposals for Readjusting Some Targets in the Eighth Five-Year Plan." It is disclosed that the average annual economic growth for the nineties will be 8-9 percent.

while it was set at 6 percent in the original plan. It is estimated that the target of quadrupling the 1980 GNP by the end of this century can be attained ahead of time.

The national economic growth in 1992 was 12.8 percent. Due to the relatively low growth in the three previous years, the growth last year was remedial in nature. However, as the current economy shows signs of overheating, there are differences of opinion on whether it is necessary to maintain a double-digit growth rate in 1993. That is a key issue to be discussed at the present National People's Congress session. According to expert analysis, in his talk in Shanghai during the Spring Festival about "not losing the opportunity for development," Deng Xiaoping actually negated the view about "the economy being overheated." In a talk some time ago, Vice Premier Zhu Rongji also indicated that "the Chinese economy is developing soundly at a fairly high speed." The economic development plan this year is still expected to be a fairly positive one.

'Three Hot Points' in Economic Work Discussed
HK2203123793 Hong Kong CHING CHI TAO PAO in Chinese No 10, 15 Mar 93 pp 26-27

[From "China Economic News" column: "Three Hot Points in Current Economic Work"]

[Text] At a recent forum, a person in charge of a relevant ministry or commission discussed three hot points in the current national economic work:

The first is stock fever. Last year, the nation's stock transactions developed rapidly and the number of joint-stock companies rose by over 400. Stock issuance and transactions were brisk. Although the principal aspect was good, it was overheated. Moreover, the stocks have not developed in a standardized way. China is perfecting and formulating standard regulations on the joint-stock system to improve stocks and securities markets, prevent great fluctuations on the stock markets, and avoid stock frauds.

The second is the real estate fever. There are now over 10,000 real estate companies on the mainland. The so-called real estate fever is caused by many people speculating on real estate. Businessmen from Hong Kong, Macao, Taiwan, and abroad have come to the mainland to speculate in real estate. Many foreign businessmen have made a fortune by speculating on land, but they have neither invested in nor developed the land. For this reason, it is necessary to adopt corresponding measures this year. For example, they are required to pay a down payment, and they will be fined if they fail to develop the land within a certain period.

The third is the development zone fever. There are over 2,000 development zones across the country. Some of them cannot attract many foreign businessmen, but they take up a lot of land. The nation's cultivated land decreases by several million mu a year. If this state of affairs goes on, it will be detrimental to the state.

The aforesaid hot points have two aspects. While promoting accelerated economic growth, they also have an unfavorable effect.

State-Owned Property Rights Management Discussed

HK2203131793 Beijing GUANGMING RIBAO in Chinese 9 Mar 93 p 3

[By Zhang Jixiang (1728 0370 3276): "Establish a New Management System for State-Owned Property Rights"]

[Text] Reform of the management system for state-owned property rights is the key to developing the socialist market economy. The international seminar on the market economy and management of state-owned property rights recently held in Guilin, Guangxi, has conducted exploration and discussions from various angles on how to build a new-type management system for state-owned property rights to suit the socialist market economy.

A nearly unanimous view was that the building of the new-type management system for state-owned property rights should include three organizational tiers: First, a specialized organization exercising owner functions should be set up in governments at various levels; second, state-owned enterprises should become the legal person and the subjective aspect operating on its own in the market and assuming sole responsibility for its profits and losses; and third, state-owned property rights operational organizations in various categories should be developed to link the government to general state-owned enterprises. Some comrades held that the building of the new management system for state-owned property rights should include four basic elements: First, the government should appropriately separate internally its function of macroscopic economic regulation and control as well as administration from its function of management in state-owned property rights; second, the government's administration in state-owned property rights should be separated from commercial operation in state-owned property rights. Third, a new pattern in the state-owned economy comprising enterprises in two major categories should be shaped to engage in dual-tier (multitiered) operation, with one category of enterprises mainly operating in state-owned property rights, and the other category operating in commodities or labor service with the state-owned properties in their employment. Enterprises in these two categories would work together to realize the value preservation and appreciation of state-owned assets in their dual-tier operation. And fourth, under the prerequisite of insuring the owner's primary property rights, various property rights derived from ownership should be standardized according to the law to shape the multiple structural system of property rights.

Some comrades believed that the administrative and managerial system for state-owned property rights

should comprise three links: first, administrative departments for state-owned property rights; second, operational organizations for state-owned property rights; and third, representatives of shareholder's rights, with the state being the shareholder should be sent to such shareholding enterprises, by administrative and managerial organizations. The department for management of state-owned property rights should be the central government's component; the representative of shareholder's rights in a shareholding company is the enterprise board member. Such convergence from top to grass roots would enable the administration of state-owned property rights and the operational and managerial system to merge into the entire administrative system of the national economy and market operation.

Other comrades held that under the socialist market economic condition, the basic requirement for building the socialist property rights system was to focus on exercising the state's ownership and rules and regulations for market competition to realize the sharing and circulation of property rights. Its main elements were, namely, to reconstruct and magnify the state's final ownership (ultimate property rights) by decentralizing and endowing state-owned properties with greater visibility and responsibility; to realize the unification of the property rights and managerial rights of the legal person within the enterprise.

As to the intermediary organizations in state-owned property rights, the majority of the comrades believed that it was necessary to enthusiastically develop, complete, and perfect various categories of property rights operational organizations, such as enterprise groups, property rights operational companies, property companies, and investment companies. Presently, the bottlenecks in developing, completing, and perfecting intermediary organizations are: first, to make explicit the responsibility, power, and interest of intermediary organizations; second, to find a solution to their fund problems; and third, to find a solution to the lack of qualified people who will insure the effective operation of intermediary organizations.

Government To 'Wet Lease' 16 Foreign Planes

OW2203094593 Beijing XINHUA in English
0918 GMT 22 Mar 93

[Text] Beijing, March 22 (XINHUA)—China plans to wet lease another 16 aircraft this year as a move to ease its transportation shortage, fueled by the rapid economic development, an official of the Civil Aviation Administration of China (CAAC) said today.

Among the planes, mostly from the Commonwealth of Independent States (CIS), are Ilyushin-86 and Tu-154 planes, the official said.

Wet leasing is the leasing of commercial planes along with their crew members as well as the ground and aircraft maintenance staffs. The new leasing system was

introduced first in China by Xinjiang Airlines last July and a total of six foreign planes were leased in this way.

CAAC plans to push its total air transport volume to 4.9 billion ton/kilometers this year, a rise of 15.3 percent over last year. During the first two months, however, its total turnover jumped by 25 percent.

Therefore, CAAC is ready to wet lease more foreign planes as they can be put into operation soon after the deals are settled.

The administration has recently promulgated regulations, authorizing some experienced airlines to expand business. Flights and airports are designated for the business to ensure aviation safety.

Jiang Zhuping, director general of CAAC, also called on local airlines at a recent conference to attach great importance to the technical level and language skills of personnel as well as the plane's conditions when going about wet leasing.

Zhu Rongji Instructions on Renamed Companies

HK2203053293 Beijing JINGJI RIBAO in Chinese
2 Mar 93 p 1

[Unattributed report: "Vice Premier Zhu Rongji Comments on JINGJI RIBAO Report Entitled 'Inside Stories of Renamed Companies'"]

[Text] The problems laid bare in these speeches (Footnote: speeches by three enterprise leaders included in an 11 February JINGJI RIBAO report entitled "Inside Stories of Renamed Companies") seem universal in nature. Though over half a year has elapsed since the "Regulations" were promulgated, such things are still happening. This shows that it is by no means easy to implement the "Regulations" to the letter. It is necessary to set up certain companies in the process of the institutional reform and government functional transformation. However, depriving enterprises of their legitimate rights and interests, even forcing enterprises to stop being legal entities, and turning enterprises once again into appendages of administrative organs and into targets to which apportionments are made are absolutely not reforms, but retrogression. This is because so doing is detrimental to forming the principal body of a market and bound to enhance professional monopoly and rid the market of its vitality. There can be no doubt that acting in this way runs counter to socialist market economy building. Thus it should be made clear that companies set up by government organs at all levels or formed by surplus functionaries in the course of the institutional reform must at once sever ties with their former organs in order to ensure genuine separation between government functions and enterprise functions, thereby making it possible for companies to carry out independent accounting (even companies which require financial subsidies in the first few years after being set up should keep independent accounts). Moreover, none of these companies should be allowed to assume concurrent

administrative functions, except for certain special and individual cases wherein state approval must be obtained in advance. This should be regarded as an important principle. I hope that the leading Party group of the Economic and Trade Office will carry out investigation and study and work out specific regulations and measures to this end.

17 February 1993

Shanghai-Listed Firms Bonus Plans 'Too' Good

HK2203035093 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English
22 Mar 93 p 1

[By Ivan Tong]

[Text] Beijing's Securities Committee has asked Shanghai-listed companies to resubmit their bonus payout proposals, saying they are too generous and against the interests of the state.

The securities regulator, headed by Vice-Premier Zhu Rongji, already has shareholders worried after it delayed the release of company results announcements.

The Shanghai companies originally planned to report last month and announce cash or share bonuses for both domestic and foreign shareholders.

Party General Secretary Jiang Zemin is a supporter of such bonuses, but sources said the Securities Committee's move did not mean Mr Zhu and Mr Jiang were at odds over the issue.

Mr Zhu is said to be concerned that the companies involved are motivated more by self-interest than a wish to promote the development of the share market.

This concern is understandable, given that the corporatisation of state-owned enterprises enables companies officials to own shares.

"Mr Zhu is definitely not happy with the high ratio of bonus shares in some of the proposals," sources said.

Most of the planned bonuses range from two to four free shares for every 10 owned. But a few, including Chlor-Alkali, have proposed a more generous one-for-one issue.

The fact that the bonus is restricted to individual and institutional investors and does not apply to state-owned shares is one area of controversy.

The government's stakes in the companies would automatically be diluted by such issues.

The Securities Committee is also known to be dissatisfied with those companies it considers to have attempted to present it with a fait accompli by announcing or leaking news of bonus offers before receiving approval for them.

Shanghai Erfangji, formerly named Second Textile, last month proposed a four-for-10 bonus share issue, subject to the authorities' approval.

The company has made no further announcement about the offer.

Sources said that while most companies were planning to modify the terms of their offers to win approval from the Securities Committee, Shanghai Vacuum considered a rights issue a better alternative to a bonus payout.

The company proposed a rights issue last autumn, but was forced to abandon it after strong opposition from overseas investors, who regarded the pricing as unfavourable.

Shanghai Vacuum now hopes a deeply discounted rights issue would be backed by the Beijing authorities and shareholders.

The Shanghai B stock, China Textile, announced yesterday that a shareholder meeting would be held early next month and the company result would be released after that.

It is customary for mainland firms to hold general meetings before releasing their results.

A Hong Kong broker said further delays to results announcements and uncertainty surrounding bonus offers would hardly encourage overseas investment.

Economist on Nonstate-Owned Economy, Part Two

HK2303023093 Beijing *JINGJI RIBAO* in Chinese
1 Mar 93 p 5

[Second and final part of an "exclusive interview" by staff reporter Liu Donghua (0491 2639 5478); "Du Runsheng on Nonstate-Owned Economy"; first part was published on page 47 of the 18 March China DAILY REPORT]

[Text] [Liu Donghua] Some people view the state-owned economy and the nonstate-owned economy as counter to each other or they even think that developing the nonstate-owned economy is a makeshift, the one and only choice. What is your view on this?

[Du Runsheng] The state-owned and nonstate-owned economies are interdependent. Without enterprises under the ownership of the whole people playing the role as the backbone supporting the national economy and paying off almost all the state's financial expenditure, the nonstate-owned economy will be faced with a host of difficulties in its development. On the other hand, since the nonstate-owned economy is run by various investors, the state can guide investments in this sector through macroeconomic regulation and control, thus can concentrate its financial resources on large enterprises that can be ~~controlled~~ ^{run} by the state. So the state can prevent such a situation in which it takes care of everything and

therefore is always short of financial resources. We were aware long ago of the insufficiency of investments in communication facilities, energy industry, and mining, and we knew that the state should increase investment in these areas. However, being short of funds, we could make no investment, which resulted in the bottleneck hindering the development of the production structure today.

This can more or less be attributed to the excessive ambition on the part of the state to take care of everything, which has ended up with the growth of some industries at the expense of others. In 1988, the nonstate-owned economy only accounted for 49 percent of the country's GNP. If it continues to grow at the current rate, it will make up 70-75 percent of the GNP by the end of the century, with its state-owned counterpart accounting for only 25-30 percent of the GNP. If this latter section is all formed by public utility, which plays a leading role, such as backbone enterprises running the energy industry, communications, mining, raw and processed material production, and defense industry, its supplying capacity will be increased remarkably. Such a structure will possibly help increase the efficiency of resource utilization and be more favorable to a balanced development of the national economy.

The pattern in which various economic sectors coexist and develop side by side with the public-owned economy playing the leading role has now been adopted as a long-term constant national policy. Certainly this is no makeshift. There are vast vistas for the nonstate-owned economy to develop in China. Furthermore, the socialization of property rights will result in the separation between management and ownership and the diminishing of ownership's dominance over economic operation. In addition, the state can also use appropriate policies to regulate the redistribution of income. For this reason, we conclude that the existence of the nonpublic-owned economic sector is nothing to be afraid of but something conducive to the development of the productive forces.

[Liu] Some people hold that the different kinds of nonstate-owned economy in China are of a small economic scale, operating at a low technical level, and producing products of poor quality. So they do not agree that the existence of these different kinds of nonstate-owned economy is a reasonable phenomenon. Is their view justified?

[Du] Every new matter has to undergo a stage of immaturity and development, some even bear innate shortcomings. The nonstate-owned economy is no exception. Township and town enterprises, for instance, emerged from the womb of commune- and production brigade-run enterprises. They survive on the market (that is, the so-called extrabudgetary economy) on the one hand and, on the other, are subject to the influence of the factors of the government-enterprise binary structure, geographical restrictions, and the nature of the closed commune

system. The smooth development of the nonstate-owned economy cannot go without an in-depth reform of the economy itself.

China has a vast territory but there is an extremely sharp contrast between different parts of the country in terms of the degree of economic development. Both the productive force and consumption structures are in a multilevel state. To suit this circumstance, the choice of industrial technology and the mix of products of different grades need to be diversified. If we seek uniformity and purity of the economic form and economic sectors, we will not be able to give full play to the latent productivity of the individual, private, and collective economic sectors. It will be nonconstructive or even harmful if these economic sectors are excluded from the economic structure.

In the vast rural areas of China, surplus funds are scarce and dispersed. In rural areas, communication and telecommunication facilities and other infrastructure are underdeveloped, it is very difficult to build large modern enterprises there, and it is not possible to build many. If we start many projects recklessly there, we will have to take a risk in the market. Nevertheless, agricultural production can accommodate only a limited number of laborers. The abundant labor force is the only advantage of rural areas. If we do not make use of this advantage, the poverty of rural areas will be aggravated. By developing those labor-intensive industries operating at a lower technological standard and producing goods of lower grade, we need to make less investment but can employ a large number of idle labor to produce value. If 70 percent of the country's labor force work with the nonstate-owned sector, such an enormous employment scale will no doubt bring about favorable economic, political, and cultural changes. It is believed that nonstate-owned enterprises, activated by the law of competition of the market economy, will gradually overcome their weaknesses.

[Liu] On the one hand, the reform and opening up has brought us a flourishing nonstate-owned economy today; on the other, the nonstate-owned economy, which is ready for a greater boom, has placed before us many problems in the development process. What do you think should be done to improve the internal and external environment for the nonstate-owned economy to ensure a faster development?

[Du] The state should legislate in the interests of the nonstate-owned economy, in particular the individual and private economies, so as to protect ownership and property right against infringement, and it should ensure such legislations will remain stable for a long time. People should be assured of the stability of the systems they are foreseeing and the policies they are expecting.

With regard to the extension of loans, state banks should meet the needs of the market economy, pursuing the principle of taking economic return as the key link rather than deciding whether to grant loans or not and to grant

more or less loans by discriminating enterprises under the ownership by the whole people from collective and individual-run enterprises. As for those industries which fulfill the industrial policy and are qualified to enjoy preferential treatment, the financial authorities should offer them a special, reduced interest rate. It is necessary to divert limited resources to more promising investments. Reducing fruitless and low-return investments will help the government control the investment scale. And this is exactly what the government should do.

The introduction of the joint-stock system for enterprises has many advantages. At present, as far as township and town enterprises are concerned, we should first concentrate our attention on seeking a solution to the problem of separation between government administration and enterprise management, with a view to expanding the fund-raising scope. As for the listing of stocks with the stock exchange, the establishment of a capital market, and the founding of groups of companies, these should be handled on a case-by-case and step-by-step basis.

A balance should be maintained between the processes of urbanization and industrialization. In encouraging the peasants to run industries, in the past we first stressed that the labor force should be released from farmland but be kept in rural areas, later we suggested that the peasants go beyond their villages but do not give up farming. Now we should make a further move by encouraging some peasants to go beyond their villages and quit farming as well, so as to run industries and tertiary industry in cities. Only when new cities emerge will it be possible for industrial enterprises to concentrate in some localities to share services and facilities with each other, to expedite the division of labor in society, and to improve their economic returns; and only thus will it be possible to break the barriers between closed communities and to invigorate the product market and the production element exchange market. Through this process some peasants will settle down in cities, be baptized by the industrial civilization, and improve themselves. After they take up new careers, they may assign their land lease to others, and this will be conducive to the introduction of large-scale farming and the improvement of labor productivity. We may also encourage the peasants to build small towns on their own before a fully fluid labor market completely takes shape linking the urban and rural areas.

As far as the choice of technology is concerned, the rural nonstate-owned economy mainly consisting of township and town enterprises had better adopt both intermediate and new technology, and the vast number of rural households should be mobilized to promote a diversified economy. This is especially essential to the development of township and town enterprises in central west China. In those relatively developed areas, some enterprises should launch technological transformation projects right away. Their goal should be to run export-oriented production, develop new products, and plunge into international competition. At the same time, they should

build up a technology reserve in preparations for the technological advancement of all the nonstate-owned enterprises as a whole.

By and large, developing the nonstate-owned economy is not only in keeping with the principle of "three advantages" [san ge you li yu 0005 0020 2589 0448 0060] advocated by Comrade Xiaoping, but can give an impetus to the steady transition from the planned economy to the new structure of socialist market economy. We should seize the present opportunity to speed up economic development.

Professor Calls For 'Learning More Capitalism'

HK2003063893 Hong Kong MING PAO in Chinese
14 Mar 93 p 11

[“Special Interview” by staff reporter group: “People’s University Professor Fang Sheng Calls For Making More Use of and Learning More Capitalism”]

[Text] Expanding opening up and deepening reform are hot topics for discussion at the two current sessions. Professor Fang Sheng of the Chinese People’s University, who once made a stir in the overseas media for publishing an article entitled “Opening Up to the Outside World and Making Use of Capitalism,” was interviewed by our reporters yesterday. During the interview, Professor Fang Sheng said: To implement market economy, the mainland should expand opening up, namely, make more use of and learn more capitalism.

Fang Sheng held: Insofar as market economy is concerned, capitalist countries have accumulated rich experiences through their long-term activities. The environment of intense competition, threat of bankruptcy, and pursuit of profits have forced capitalist enterprises to exert their utmost to satisfy market demands, thus making profits. The various common maladies found under a planned economic structure are something unimaginable to capitalist enterprises. This is why many an operational or management method employed by capitalist enterprises are “worth learning.”

Fang Sheng noted that the mainland has recently found some new forms of utilizing capitalism. For instance, as regards making use of foreign capital, in the past the mainland only tried to borrow foreign loans or invite foreign entrepreneurs to set up enterprises on the mainland. Now the mainland has started issuing Renminbi B Shares, “China Concept” shares, and different types of bonds abroad.

Nonetheless, Fang Sheng believed, the mainland has yet to make use of capitalism in breadth and depth. He said: The biggest obstacle in this connection is that certain leaders have yet to emancipate the mind because they have been accustomed to leading a planned economy and are thereby shortsighted and know nothing about how to make use of law of market economy to push

ahead with productive forces development and how to draw upon advanced capitalist management experiences.

Despite numerous difficulties involved in expanding opening up, Fang Sheng remains optimistic about the future. He said: Deng Xiaoping thought has now been accepted by the people of the whole country and has also been written into the 14th CPC National Congress Report and the draft PRC constitutional amendment. He believed that even after Deng Xiaoping passes away, the current policies will remain unchanged. There will be people opposing these policies. There will also be relapses in certain areas and departments and on certain questions. However, he stated, the general trend of reform and opening up will be irreversible.

Fang Sheng admitted that at present, such phenomena as being overanxious for quick results and expanding opening up in a blind way can still be found in many areas of the mainland. Some areas have even carried out overheated development. Generally speaking, however, further expanding opening up at the moment is an inevitable result of reform, opening up, and economic growth over the past decade or more.

Commenting on whether opening up has been proceeding too fast, Fang Sheng said: It is necessary to make a concrete analysis of this question. It is certainly necessary to oppose expanding opening up in disregard of conditions. "However, we would accomplish absolutely nothing should we take no risks and pursue only steady progress in every aspect."

Government Concentrates on Building 10 Railways

OW1903124793 Beijing XINHUA in English
0911 GMT 20 Mar 93

[Text] Beijing, March 20 (XINHUA)—China is concentrating on the construction of ten major railways to accommodate the rapid development of the economy.

The railways listed recently by the government total more than 7,000 kilometers, and will include new lines and double-tracks, as well as electrified, renovated and expanded lines.

Construction on the most expensive and longest line in Chinese history—the Beijing-Shenzhen line—recently began along its different sections. More than 30 kilometers of a double-track line along the Lanzhou-Xinjiang railway in the northwest have also been completed.

Another passage in northwest China, the Baoji-Zhongwei railway, has seen 43 kilometers of tracts completed.

Meanwhile, progress has been made in improving the capacity of coal transportation: The building of a new railway that will link North China's coal-rich Shanxi Province with central China's Henan Province recently kicked off. Electrification of two railways that connect

East China with South China—the Hangzhou-Zhuzhou railway and the Beijing-Guangzhou railway—started earlier this year.

Officials from the Ministry of Railways say that the ten projects, due to begin operations in 1995, will ease railway traffic congestion.

Qinghai, Tibet Experience 'Record' Growth

OW1903100393 Beijing XINHUA in English
0559 GMT 19 Mar 93

[Text] Lhasa, March 19 (XINHUA)—China's opening drive has injected new life into the development of the previously poverty-stricken Qinghai-Tibet Plateau in the far west of the country.

Last year the revenue of the Tibet Autonomous Region surpassed 100 million yuan for the first time, up 300 percent over the previous year, while Qinghai Province kept up the momentum of growth in all of its economic indices, and experienced a record economic growth of seven percent.

The deepening of reform has helped bring about great changes in the attitudes of the people living on the plateau.

Tibet, which used to rely heavily on state relief, last year worked out a series of preferential policies to attract more inland provinces and cities to start businesses in Tibet, resulting in the setting up of over 40 inter-regional economic co-operation projects involving a total investment of more than one billion yuan.

In the past year Qinghai has opened commercial centers in over 60 cities across the country, while an increasing number of other provinces and cities came to start experimental zones for developing resources in the province's Golmud region and set up a group of new chemical firms.

While trying hard to win more economic co-operation opportunities with other inland areas, Qinghai and Tibet are also working to elbow their way into international markets and absorb overseas investment.

According to officials in Tibet, the region has over 40 international aid projects, involving more than 30 million U.S. dollars in foreign investment. A number of foreign-funded firms have begun or will soon begin operations in the region.

Qinghai has set up 34 companies engaged in economic and technological co-operation, and import and export. It has also established stable trade relations with over 50 countries and regions.

In the meantime, the province has introduced through various channels about 400 million U.S. dollars. The number of foreign-funded projects in Qinghai has reached 28, with a contracted use of over 300 million U.S. dollars.

Qinghai and Tibet also invest heavily in construction of basic facilities, resulting in a great improvement in transport and telecommunications, and helping shorten the distance between the plateau and the rest of the world.

Tibet now has more than 20 outlets and non-governmental trading centers in areas bordering Nepal, India and Myanmar [Burma]. Exports from the region have also increased from simply wool and salt in the past to a dozen commodities, including carpets, rapeseed, medicinal herbs and chromium ore. Tibetan goods are now exported to more than 20 countries and regions.

A total of 130 commodities produced in Qinghai have now entered the world market. Some of them, such as minerals and livestock products, have even cultivated stable sales networks in international markets. Ferrosilicon, industrial silicon and cashmere have become Qinghai's main exports.

Statistics show that last year Qinghai chalked up 105 million U.S. dollars-worth of foreign trade, up 35 percent than the previous year; Tibet's imports and exports recorded 57.72 million U.S. dollars-worth last year, representing an increase of 66.3 percent over the 1991 figure.

Living standards in the rural and pastoral areas of Qinghai and Tibet have improved accordingly. The average per capita net income of a farmer or a herdsman was 500 yuan.

In the meantime, the development of service trades and rural industry has gained momentum on the plateau, with an annual increase rate of 15 percent.

East China Trade Fair Figures Reported

HK2203033093 Hong Kong WEN WEI PO in Chinese
15 Mar 93 p 4

[By WEN WEI PO news team: "The East China Export Fair Ends With a Transaction Volume Topping \$1.6 Billion"]

[Text] Shanghai, 14 Mar (WEN WEI PO)—The 10-day 1993 East China Export Commodities Fair [ECECF] concluded with flying colors here this afternoon.

This fair's total transaction volume came to \$1,647.84 million, up 23.7 percent compared to the last fair. The transaction volumes of the seven host provinces and municipality/cities in East China were all higher than those from the last fair: Shanghai, \$502.53 million, up 12.7 percent; Jiangsu, \$452.25 million, up 36.5 percent; Zhejiang, \$280.65 million, up 6.1 percent; Anhui, \$107.49 million, up 22.2 percent; Jiangxi, \$100.16 million, up 16.6 percent; Nanjing, \$56.62 million, up 38.9 percent; Ningbo, \$108.09 million, up 42.1 percent. The combined transaction volume of the joint delegation comprising eight first-time provinces and cities—Hubei,

Sichuan, Fujian, Henan, Wuhan, Chongqing, Chengdu, and Xiamen—reached \$40.05 million.

In terms of the broad categories of commodities traded at the fair, first place again went to textile products, which exhibited a transaction volume of \$182.19 million, accounting for 11 percent of the total. Second place went to light industrial commodities, with a transaction volume of \$105.80 million, accounting for 6 percent of the total. Third place went to indigenous and livestock products, which saw a transaction volume of \$96.25 million, accounting for 5.8 percent of the total. In terms of recipient regions in export transactions at this fair, Hong Kong and Macao remained at the top, with a combined transaction volume of \$458.60 million; they were followed by Japan and the United States, whose transaction volumes were respectively \$235.36 million and \$232.09 million.

While focusing on export transactions, this ECECF encouraged a broadening of business scope, conducted all-dimensional negotiations on foreign economic exchange and trade, and achieved some practical results. According to incomplete statistics, the import contracts that were signed at this ECECF are worth \$80.28 million; the "three processings and one compensation" projects undertaken through agreements are worth \$1.968 million; technical export contracts that were signed are worth \$12.79 million; and contracts or letters of intent were signed on 45 Chinese-foreign joint venture or cooperative projects, worth a total of \$46.26 million.

CHINA DAILY To Report on B-Share Firms

HK2003060493 Beijing CHINA DAILY in English
20 Mar 93 p 1

[By staff reporter: "China Daily Assigned To Issue News on B-Shares"]

[Text] The China Securities Regulatory Commission yesterday authorized China Daily to issue English language information about listed firms and those planning to become public limited companies.

The commission, one of China's two securities industry watchdogs, requires all B-shares issued and all listed companies publicize their information for foreign investors in the country's only national English language newspaper.

Analysts believe the move will give impetus to the development of B-shares, which are renminbi-denominated but are traded in hard currency.

Foreign investors complain they do not have access to enough information about B-share companies, which is partly responsible for sluggish trading in the B-share market.

Besides China Daily, the commission also authorized the Financial News, China Securities and the Securities Market Weekly to disclose Chinese-language information.

The commission requires that those firms which issue shares to the public should publish a summary of their prospectus and post notice in these authorized newspapers and magazine.

During the share-issuing period, other documents to be published include share-issue policies, the address of share brokers as well as the form, schedule and place of payment by the subscribers.

Those which adopt the lottery method are also required to publish their policies and the selected numbers.

Listed companies are also required to publish the summary of their financial reports, purchasing notices and any relevant major events, according to the commission's requirements.

RENMIN RIBAO on Importance of Agriculture

OW2203113693 Beijing XINHUA Domestic Service in Chinese 1559 GMT 21 Mar 93

[RENMIN RIBAO 22 March editorial: "Attach Real Importance to Agriculture"]

[Text] Beijing, 21 Mar (XINHUA)—At a time when the economic structure of our country is undergoing drastic changes, it is of great significance to attach importance to agriculture, to pay attention to and protect the interests of peasants, and to enhance their enthusiasm for participating in reform and developing production.

The party and the state have always maintained a clear attitude toward this question. The truth of this fact can be verified by the series of major policies on the production and marketing of grain and cotton recently promulgated by the State Council, as well as by the number of measures recently adopted by the party Central Committee to deal with the contradictions in the countryside. The question now is to make leading cadres at all levels truly understand that the party Central Committee attaches importance to agriculture, and to implement, as soon as possible, the state's policies and measures for stabilizing and stimulating agricultural production.

We have not raised this issue without a purpose. In recent years, with respect to the questions of dealing with agriculture, rural areas, and peasants and regarding the questions of protecting the interests of peasants and enhancing their enthusiasm, the phenomena of "cutting and blocking" the party Central Committee's guidelines and the state's policies have occurred frequently. These phenomena gave expression to two main tendencies. First, because the question of feeding and clothing China's population has been basically solved, some comrades have mistakenly thought that "agriculture has passed the test." Although these comrades did not say it

verbally, in their minds they did not think seriously of the concept that "agriculture is the foundation of the economy." Leaders in some areas have devoted almost all their energy to developing industries that require less input, yield greater economic results, and promise quick returns, and they are not interested in investigating in and studying the new situations and new problems emerging in rural areas. They often make empty talk about strengthening guidance over agriculture. Some people, giving first place to departmental interests, have tried to put off the decision each time when input has to be truly increased in agriculture. Despite financial difficulties, some areas have continued to accelerate the construction of industrial and other developmental projects; in some localities, although they owed the peasants more than 100 million yuan, the authorities continued to spend huge sums of money for the construction of new office buildings. Thus, agriculture has become an object to be pushed aside at will. As a result, large amounts of "basic food grain," which should have been allocated to agriculture, were used for other purposes. Second, some people think that the market is omnipotent, believing that since the objective is to establish a socialist market economic system, they can "shove something aside" without having to bear any responsibility. Although the peasants are unable to cope with the strange, and also very much incomplete, market, some comrades, under the pretext of "fully respecting the independent rights of peasants" and "allowing them to learn how to swim by themselves," have done nothing to give peasants the necessary assistance and guidance, allowing them to independently bear the risks and to incur losses that could have been avoided. To seek departmental interests, some departments that have some connection with agriculture have carried out illegal operations, entrapping and harming peasants and infringing on their legitimate rights and interests under the signboard of serving agriculture. The phenomenon of issuing IOU's to peasants has increased because the leadership has ideologically neglected agriculture and peasants' interests. The problem has not been solved after several years, and the peasants' burden has increased. Despite state prohibitions, the phenomenon of issuing IOU's has continued. Serious incidents of harming peasants have occurred frequently. Chemical fertilizer and diesel fuel, provided by the state at state-controlled prices to encourage peasants to grow grain and cotton, have been illegally detained and sold to make profits. Similar types of problems have occurred frequently. All these problems have seriously hampered the peasants' enthusiasm, affected the relationship between cadres and the masses, and damaged the prestige of the party and the government. This is the background under which the party Central Committee recently promulgated a series of major measures for strengthening agriculture.

We must constantly stress the importance of problems related to agriculture, the countryside, and peasants. Without a stable and growing agriculture, we would not

have enough to eat and wear, to say nothing of developing the economy. On a deeper level, without a steady increase in the economic income of the 900 million peasants, there will be no broad market for industry, and the chains of the nation's economic operations will break. Without rapid economic development in the vast countryside, our strategic goal of achieving a relatively comfortable standard of living by the end of the century will not materialize. Without a prosperous and stable countryside, there will no societywide prosperity and stability. Did our great undertaking of reform not take its first step exactly in the countryside, starting from respecting the peasants' economic interests and mobilizing their enthusiasm for production? This extremely valuable first step enabled our peasants to open the most glorious chapter in the development of agriculture and thereby lay a solid material foundation for all-around economic reform and development. As China is making big strides toward a new phase of reform and construction, we must not forget the contributions made by the hundreds upon millions of our brothers in the countryside, and we should not ignore the great role they are capable of playing. They comprise the solid foundation stone that sustains the edifice of reform and construction. Therefore, for leadership at all levels to take agriculture seriously, they must, first of all, truly and always keep agriculture, the countryside, and peasants in mind.

Under the current situation, there must be new ideas on emphasizing and strengthening agriculture. We must, to sum up with one sentence, approach and analyze the new problems materializing in the countryside from the viewpoint of the socialist market economy, solve deep-seated contradictions through deepening reform, and develop the rural economy in an all-around manner in line with the laws of the market economy. Specifically, it can be divided into three levels. First, regarding agriculture itself, we must get rid of the mentality of stressing only output and guide the peasants toward developing a type of farming that provides high yield and fine quality with maximum efficiency. We must make use of pricing and preferential policies to manifest market demands and government intentions and to guide peasants to produce agricultural products that meet market demands. Second, from the viewpoint of the rural economy as a whole, we must give equal importance to "increasing peasant incomes" and "increasing total output," making the scale of peasant income increases a major indicator for judging the soundness of economic development. We should do our best to accelerate the development of the secondary and tertiary sectors of the economy in the countryside and create more opportunities for peasants to work or increase their income, thereby helping make up for the relatively low returns from crop farming and protecting peasants' enthusiasm for growing crops. Accelerating the shift of productive forces toward non-agricultural sectors is the only way for the rural production structure to become rational day by day, for rural productivity to grow constantly, and to fundamentally consolidate agricultural stability. The third—also the

most important—level is none other than the establishment of a proper place for agriculture in the large framework of the socialist market economy, with particular attention to properly coordinating relations between agriculture and industry to forestall, as much as possible, new contradictions from emerging. In the transition from the old structure to a new one, we may, and must, make use of both the market and administrative means, guard against the tendency of slighting or ignoring agriculture, and check actions that push aside agriculture in favor of industry or drain resources from the former to the latter. Owning to restraints in natural and weather conditions as well as the level of production technology, China's agriculture is at a disadvantage in many areas when it comes to competition in either domestic or international markets. For some time to come, governments at all levels must formulate appropriate policies or measures to create a more pliable environment for agricultural development. Policies that have been announced must be carried through, and preferential treatment that has been promised to the peasants must be carried out to the letter. Only then will we be able to win their confidence and sustain their enthusiasm for reform and production.

The whole year's work depends on a good start in the spring. It is hoped that leadership at all levels will not let the precious spring slip by—much less let the hundreds upon millions of peasants down—and work to change "slogan agriculture" into "solid working agriculture." When leadership means business, the broad ranks of peasants and rural cadres at the grass-roots level will plunge into reform and production with even greater enthusiasm and energy for a good harvest of grain and cotton and for all-around, fresh growth in the rural economy.

Emergency Circular on Reducing Peasants' Burden

OW2203100093 Beijing XINHUA Domestic Service in Chinese 0523 GMT 22 Mar 93

[Text] of emergency circular on lightening peasants' burdens, issued by the General Offices of the CPC Central Committee and the State Council on 19 March]

[Text] Beijing, 22 Mar (XINHUA)—On 19 March, the General Offices of the CPC Central Committee and the State Council jointly issued an emergency circular on realistically lightening the burden of peasants. The text follows:

Since Comrades Jiang Zemin and Li Peng respectively made important speeches at the six-province discussion meeting on agriculture and rural work and at the national TV and telephone work meeting on agriculture in December 1992, party and government leadership and organs at various levels have attached importance to issues on lightening peasants' burdens. Their actions have been warmly welcomed by the broad masses of people. The broad masses of cadres and people have

been aware that the CPC Central Committee and the State Council oppose increasing apportionments on the peasants, and they have better understood the relevant policies. Some provinces (regions) and departments have taken swift action in implementing effective measures, thereby keeping, to a certain extent, the peasants' burdens from getting heavier; however, the overall situation has been very unsatisfactory. Quite a large number of localities and departments have acted slowly. As of now, some localities and departments have disregarded the central authorities' instructions and have not taken any action. Some have even resisted the central authorities' instructions by surreptitiously taking measures to interfere. Some apportionments—which have been specifically forbidden or repeatedly criticized as unreasonable—are still being imposed. The peasants have been very displeased with the above situation. If the prevailing conditions are allowed to continually develop, they will not only directly affect progress in agricultural production, they will also adversely affect stability in rural areas and even in all of society. Therefore, it is necessary to take decisive measures to rectify the situation. Under the approval of the CPC Central Committee and the State Council, an emergency circular is issued as follows:

1. Effective immediately on the issuance of this circular, peasants will continue to pay taxes according to law and will continually be charged—in accordance with the State Council's "Regulations Governing the Peasants' Shares of Fees and Labor Services" (hereafter called "the Regulations")—village reserve funds and township unified levies, which should be strictly regulated to amount to no more than 5 percent of the peasant's per capita annual net income from the previous year. Except for the above two items, any other levies on peasants—including various allocations, fund-gathering endeavors, target-fulfilling charges, administrative fees, and rural funds, regardless of whether they have been established, instructed, or imposed by the government at whatever level or department—shall be stopped at once, and shall then be screened later. After screening, if the need to continually impose the charges or fees exists, the related charges or fees will be examined and assessed by relevant departments under the people's government at or above the provincial level supervising and administering peasants' burdens. Before the fees are imposed, they will have

to be reapproved in accordance with "the Regulations" stipulations on assessment and approval. If the items are important, approval from the State Council, or from the provincial, autonomous regional, or municipal people's government will be required.

2. The problem of the peasants' heavy burden, as shown in rural areas, stems from various higher departments. Many documents concerning apportionment of expenses, funds raising, activities for attaining goals, administrative operating charges, and fines imposed on peasants come from central and provincial state organs. Therefore, to screen these documents, we must start from their sources—from the central state organs first. The CPC Central Committee and the State Council demand that top leaders of relevant departments under central state organs take charge of this work, take action immediately, and set an example by screening all documents concerning the peasants' burden by the end of June.

3. Party committees and governments at all levels should regard the issue of relieving the peasants' burden as an urgent political mission and make it an important item on their agendas. Principal party and government leaders should personally get involved; they should go deep to conduct investigations in places where there are more problems, and study and take efficient measures to lighten the peasants' overweight burden as soon as possible. Meanwhile, they should intensify their supervision and examination over efforts to alleviate the peasants' burden in all localities. Those who act slowly or do not do their best should be criticized, and party or administrative disciplinary punishments should be meted out to those who fail to correct themselves after receiving criticism and education. Malicious cases as a result of the peasants' overweight burden must be investigated and handled with a serious attitude. They must be investigated and handled once they crop up; none of them should be ignored. People directly responsible for malicious cases must be punished according to law, and bureaucrats who ferment such cases should be discharged from their posts and prosecuted. The outcomes of the handling of these cases must be revealed to the public through broadcasts and newspapers as an education on democracy and legal system for the masses.

North Region

Hebei's Cheng Weigao Addresses 1993 Tasks

SK2303102293 Shijiazhuang HEBEI RIBAO in Chinese 28 Feb 93 pp 1, 3

[Text] Cheng Weigao, secretary of the provincial party committee and provincial governor, emphasized today at the provincial conference on economic work and structural reform that in this year's economic structural reform and industrial production, efforts should be concentrated on eight major tasks.

First, we should extend the degree of the reform of the enterprise systems. Reform of the enterprise systems is the basic content and central link of the entire economic structural reform. To improve and invigorate the existing enterprises, the key lies in deepening the reform of the enterprise systems, which is, in essence, by reforming their managerial systems and operating mechanism to turn enterprises into legal entities and major competitors in the market who are independent in management and responsible for their own profits and losses. If this issue is left unresolved, the socialist market economy will lack the major performers in its activities, and invigorating enterprises would be out of the question. Therefore, to deepen enterprise reform, we should, above all, further extend the degree of the reform of the enterprise systems focusing on the requirement for establishing the socialist market economy system, make utmost efforts to balance and clarify the relations in property rights, and actively explore the way to effectively realize public ownership. Based on Hebei's reality, in the reform of enterprise systems, we should, on the one hand, continue to persist in and improve the multi-form contract system, fix the base contract figures and increase rates in a reasonable manner, and clarify the responsibility for losses as well as profits to further boost the enthusiasm of cadres, staff members, and workers for carrying out management successfully. On the other hand, we should expand the experiment with the shareholding system; boldly promote the renovation concerning the shareholding of state-owned enterprises; actively develop the limited responsibility companies whose shares are held by legal persons; develop the limited companies whose shares are held by their staff members and workers or whose shares are held by various categories of shareholders; and establish a few shareholding enterprises in high quality who issue shares to the public or trade their shares in the market in other localities. While actively promoting state-owned enterprises' renovation concerning the shareholding system, we may also learn from other various measures to promote enterprises' reform of the shareholding system. All localities may select some large and medium-sized enterprises whose conditions permit instituting with their own funds the system of overall contracting for input and output. They may also learn from the pattern of the Shoudu Iron and Steel Complex to grant some enterprises greater autonomy. We should strive to enable more state-owned enterprises to "transplant" foreign

funds and technology to themselves and select some enterprises with necessary conditions to adopt the operating mechanism and managerial methods of Chinese-foreign joint ventures so that new mechanisms can take shape in enterprises. All new enterprises should adopt new mechanisms and carry out management according to international practice. The large number of small enterprises and the medium-sized ones which earn meager profits or suffer losses should have their production or systems changed or be leased out or sold. Enterprises whose assets cannot pay off their debts for a long period of time and who hold no promise of ending their deficits should be resolutely declared bankrupt according to law after full preparations are made.

Second, we should step up the work to improve large and medium-sized enterprises. Large and medium-sized enterprises are the backbone and foundation for Hebei's economy and play a decisive role in the economy. When deepening enterprise reform, all localities and all departments should still regard improvement of large and medium-sized enterprises as an important link and make it successful. Judging from the current situation, a considerable part of Hebei's state-owned enterprises still lack vigor and a competitive edge and lag far behind the demand of the operation of the market economy. Invigorating and improving large and medium-sized enterprises remains a very pressing task for the industrial sector of the province's economy. We should regard implementation of the "regulations" as a central task and adopt effective measures to delegate to enterprises all the 14 decisionmaking powers. Among the 14 decisionmaking powers, the key are the six ones on personnel management, labor employment, inner distribution, organizational establishment, import and export, and refusal to pay unwarranted prorations. At this conference, the pertinent departments of the provincial government have studied and formulated coordinated and operable measures for the delegation of the 14 decisionmaking powers. All departments directly under the province should implement them well and make sure that all the powers are delegated before the end of this June. Those who fail to do so should be examined conscientiously to check where the powers have been withheld, and leaders of the departments which withhold or refuse to devolve the powers should be held responsible. Efforts should be made to guard against the withdrawal or withholding of enterprises' decisionmaking powers in a disguised manner in the excuse of establishing companies or enterprise conglomerates. All levels and all departments should give heed to enterprises' voice, resolutely ban arbitrary collection of donations, fares, and fines to meet certain targets, and abolish all the policies and regulations that infringe upon enterprises' decisionmaking powers. Large and medium-sized enterprises should have the courage to explore and bring forth new ideas and actively promote the transformation of their operating mechanism. They should experiment and blaze new trails bravely as long as their endeavors help develop productive forces. They should learn from the managerial methods of the three types of foreign-funded

enterprises to implement the system of overall contracting for input and output and the shareholding system or to develop enterprise conglomerates to increase their vigor. Regarding the enterprises which have a fairly good foundation and capacity for self-restraint, pertinent government departments should delegate power to them and take charge of their major responsible persons and contracts only. Regarding the enterprises with advantages in products and scale, policy priority should be given to them to help them expand their scale, improve their level and standing, and become pillar enterprises. Money-losing enterprises should be classified. Regarding those which hold the promise of ending their deficits, major supporting policies should be formulated to help invigorate them; and those whose assets cannot pay off their debts due to a long period of poor management and which hold no promise of ending their deficits should be resolutely closed, suspended, merged to others, or have their production lines changed.

Third, we should increase the enthusiasm for developing the nonstate sectors of the economy to a proper extent. While consolidating and developing the state sector of the economy and continuing to improve large and medium-sized state-run enterprises, we should actively develop the collective economy and encourage the development of the nonstate sectors of the economy, such as individual and private economies and the three types of foreign-funded enterprises. This is not only the essential demand of the market economy but also the unavoidable choice in our efforts to increase the total supply and total demand and to build an economically strong province. Compared with developed provinces, the nonstate sectors of the economy, such as the individual, private, and foreign-funded economies, are small in number and scale and low in quality and standing in our province. Therefore, we should actively support the development of the collective, individual, private, and foreign-funded economies while attaching importance to developing the state economy if we are to greatly increase the total supply and total demand. In urban areas, we should develop the enterprises run by various trades, districts, neighborhoods, residents' committees, and households individually or jointly. In rural areas, we should develop, on a priority basis, the township enterprises run by townships, villages, and households individually or jointly, and the private or foreign-funded ones. When developing the various sectors of the economy, either the public or other sectors, we should bear in mind the actual level in the development of productive forces and the objective demands. We should neither mechanically copy a certain pattern nor fix a development ratio to restrict the development of productive forces. Meanwhile, we should pay attention to policy guidance. Pertinent departments should formulate the policies encouraging the development of the nonstate sectors of the economy; tackle in a timely manner the new situations and new problems occurring in the process of development; create a good environment for the nonstate sectors to compete on an equal footing; bring about a great development of the collective, individual, private, and

township enterprises and the three types of foreign-funded enterprises in our province; truly establish a new pattern in which all sectors of the economy, with the public sector as the main body, compete on an equal footing and develop simultaneously.

Fourth, we should pay great attention to raising the degree of market building. The building of a socialist market economic system calls for efforts to further improve and develop a unified and open market system marked by competition on an equal basis and perfect regulations. This is not only a necessary condition for enterprises to enter the market but also an important measure for accelerating the formation of the new socialist market economic system. Over the past few years, our province has exerted much effort in building markets and has achieved definite achievements. Judging from the general situation, however, we have not only failed to show sufficient enthusiasm in building markets, particularly the markets for the essential factors of production, but have also failed to improve their quality. In market management, we have also failed to make the building of the legal system keep pace with the building of markets. Therefore, in addition to continuously enhancing our enthusiasm on the present basis and accelerating the pace of market building, particularly the development of the markets of essential factors of production, we should also appropriately establish and improve all sorts of laws, regulations, and systems for protecting market competition in line with the market development situation. Only by doing a good job in market building can we be able to realistically give play to the basic role of markets in the disposition of natural resources, to promote the rational flow of the essential factors of production, and to give full play to their efficiency. While accelerating the development of the market system, we should do a good job in renovating and expanding the existing commodity and material markets, improve their facilities, and raise their level in accordance with the different market functions and their service areas so that we will have convenient and proper places for carrying out commodity and material transactions. We should give priority to developing the markets of the essential factors of production; and accelerate the development of the banking markets, labor markets, technology markets, property rights transaction markets, personnel markets, real estate markets, and information markets. It is necessary to foster an idea of large-scale commerce, large-scale circulation of goods, and large-scale markets and to actively develop all sorts of market intermediary organs. We should strive to improve the circulation organizational structure and actively develop a service system embracing the accounting, auditing, information, job recommendation, and legal services. Furthermore, we should also pay attention to perfecting the market regulations and standardizing of business activities, and encourage legal competition in various economic sectors and through various operational forms.

Fifth, we should actively broaden the range of the distribution and insurance system reform. Reform of the

distribution and social insurance systems is one of the important tasks of the economic systems reform and a basic content of building the socialist market economic system. Only by successfully reforming the distribution system can we be able to effectively realize the best combination of fair distribution and efficiency. The social insurance system has a direct bearing on social stability and has provided a good social environment for enterprise reform. So far, basically, our province is still in an initial stage in social insurance reform. We need to conscientiously study and actively promote it during this year's reform, and further expand the scope of experimenting with this reform in selected units in an effort to expand the social insurance coverage. In the reform of the distribution system, we should adhere to the principle of distributing to each according to his work as the major form, supplemented by other distribution forms, and the principle of adopting various distribution forms and giving simultaneous consideration to fair distribution and efficiency; resolutely break with the practice of "eating from a big common pot" and "iron rice bowl"; enable those units and individuals who make contributions to the country and society receive due remuneration; and mobilize the enthusiasm of the broad masses of cadres and the people in developing the commodity economy. The priority of the social insurance reform is to do a good job in the unemployment, old-age, and medical insurance systems; adopt effective measures; guarantee that all reform policies issued by the state and province are implemented in places where needed; gradually make the social security system cover the whole society; and create a good social environment for enterprises to change operational mechanism, eliminate burdens, take part in reform with nothing on their consciences, and march toward the markets as quickly as possible.

Sixth, we should make the activities of the "three increases and one improvement" more substantial. Last year, we implemented the "553911" project and achieved great results, making Hebei's some economic norms rank higher in the country. However, we should remain clear-headed to see that last year's faster improvement was merely a rebound created by the opportunity. Although Hebei's growth rate of the increased value of industry was higher than the national average, the growth rate of our industrial output value was still lower than the national average; and although our profit-tax rate of funds, the profit-tax rate of sales, and the turnover rate of funds, which reflect our economic efficiency, showed substantial improvement, the absolute value still fell far behind the national average. The activities of the "three increases and one improvement" launched this year should be carried out in a down-to-earth manner to realize substantial economic efficiency and stable and sustained growth rates. This is an important measure for achieving simultaneous growth of speed, efficiency, and capacity and ensuring the improvement of the quality, structure, and efficiency of industry. We should carry out the activities in the way we carried out the "553911" project last year, making

them vigorous and down-to-earth so that substantial economic efficiency can be achieved. Party committees and governments at all levels should devote more efforts to these activities. Like it did last year, the production office of the provincial government should break down and assign the targets of the activities; and all prefectures and cities should quantify and specify the targets and make them mandatory, clarify the responsibilities, and assign them to grass-roots units. The province as well as prefectures and cities should set a demand higher than last year's on the six norms that reflect the overall index of economic efficiency. How the targets of the "three increases and one improvement" activities are fulfilled should be regarded as the criterion for appraising the performance of all prefectures, cities, and departments, and the appraisal should be conducted at the end of the year.

Seventh, we should accelerate enterprises' scientific and technological advance and the adjustment of the product mix. Although Hebei has done a great amount of work to adjust its industrial structure, especially the product mix, the irrational structure, sluggish technological advance, poor capacity for developing new technology and new products, and other deep-seated contradictions have yet to be fundamentally resolved. If we fail to make a big move and achieve great progress in relying on scientific and technological advance and in adjusting the product mix, we will have difficulty in ensuring enduring and stable improvement of industrial efficiency, in accelerating development, and in consolidating Hebei's due position in market competition. Therefore, industrial departments at all levels should truly shift their work focus to achieving scientific and technological advance and adjusting the product mix. Focusing on establishing the "six groups" of enterprises and implementing the "dragon and tiger plan," we should increase investment, improve its use, expand imports, step up further development, and, particularly, develop a group of new pillar industries. We should facilitate the industrialization of high and new technology and adopt advanced technology more quickly to renovate traditional industries. We should establish the "six groups" of enterprises every year and make sure that success is achieved.

During this year's activity of promoting scientific and technological progress, all departments concerned should give prominence to 46 key technological transformation projects in accordance with the provincial government's No. 1 document of this year concerning the 10 items of technological progress work. If possible, all enterprises should establish their technological development organs. This year, we should strive to put in batch process 1,000 to 1,500 new products at or above the provincial level. Enterprises, large and medium-sized enterprises in particular, should accelerate technological transformation through "grafting" with combined funds and in the form of cooperation. We should build 80 enterprises that are high in technology content, additional value, foreign exchange earnings, and economic efficiency, and should strive to make their technology

and equipment attain international levels of the 1980's. In promoting technological progress and readjusting the product mix, we should combine technological development, technological transformation, and technological progress with the mastery, application, and further development of technology, with enterprises as the main body, with markets as the guidance, and with products as the targets. To do so, we can promote scientific and technological progress in an all-around way, raise the contribution rate of science and technology, and change as early as possible the situation in which the technological progress in the provincial economic growth has been too low.

Eighth, we should organize forces to actually break with the difficulties which hamper the province's industrial development.

Shortages of funds, transportation facilities, energy resources, and some raw materials have always been the "bottlenecks" which affect industrial production. Now, along with rapid industrial growth, these "bottlenecks" have become increasingly more difficult to solve. Governments at all levels must pay high attention to solving these "bottlenecks." Leaders should understand and master the current situation in a timely manner, strengthen analysis and study, and personally take a hand in solving key problems. All departments at all levels should strengthen coordination and cooperation with each other; give consideration to the overall situation; make concerted efforts; and try every possible means to ensure the funds, transportation facilities, energy resources, and raw materials urgently needed by key tasks, key projects, key products, and key enterprises. In line with the principle of paying attention to both development and economizing, we should open up more channels to raise funds in diverse forms in the course of giving full play to the role of banks and financial organs in raising and lending money. We should accelerate the construction of transportation and energy resources projects and increase the transportation capacity and power supply. This year, we should ensure the fulfillment of the tasks of increasing waterway, highway, and railway transportation capacity by 4.67 million tons and increasing the output of electricity by 5.4 billion kilowatt hours. We should try our best to tap potential to increase transportation capacity and electricity output. We should organize special forces to actually solve the problems with regard to the supply of scarce raw materials and raw cotton. We should vigorously organize the source of goods from other provinces and actively raise cotton purchasing funds to ensure the normal production of textile industrial enterprises. All localities and all departments should conduct a conscientious analysis in line with their actual circumstances in order to find out and make sure what are the conspicuous "bottlenecks" and through which methods these "bottlenecks" should be solved. We should overcome the fear of difficulty and the lackadaisical mood and concentrate our energies on solving key problems so that industrial production will develop in an even faster and better manner.

The work in the above-mentioned eight fields is the focal point and hot point of the province's economic work and structural reform this year. We should truly and enthusiastically attend to the work in these eight fields. So long as we wholeheartedly grasp reform and opening up, realistically attend to economic construction, and truly make substantive breakthroughs in solving the deep-rooted contradictions in reform and development, this year's reform and construction will be surely better and more fruitful than last year's.

Hebei Releases Namelist of Personnel Changes

SK2303090493 Shijiazhuang HEBEI RIBAO in Chinese 28 Feb 93 p 3

[Text] The following is the namelist of personnel changes approved at the 32d meeting of the seventh provincial People's Congress Standing Committee on 27 February:

1. Appointments:

Zhang Yufa [1728 3768 4099] has been appointed vice chairman of the personnel affairs committee under the Hebei Provincial People's Congress Standing Committee.

Yan Shuzhang [7051 2579 4545] has been appointed chairman of the Shijiazhuang prefectural work committee under the provincial People's Congress Standing Committee.

Zhao Zhibin [6392 1807 2430] has been appointed vice chairman of the Baoding prefectural work committee under the provincial People's Congress Standing Committee.

Li Tinghua [2621 1694 5478] has been appointed vice chairman of the Xingtai prefectural work committee under the provincial People's Congress Standing Committee.

Mi Zhenxiang [4717 2182 5046] has been appointed vice president of the provincial higher people's court and member of the judicial committee.

Liang Jun [2733 6511] has been appointed vice president of the provincial higher people's court.

2. Decisions on appointments

The decision on appointing Wang Yingze [3769 3469 3419] president of the Chengde prefectural intermediate people's court.

The decision on appointing Ren Yuzhen [0117 3768 4394] president of the Zhangjiakou prefectural intermediate people's court.

The decision on appointing Gao Hushun [7559 5706 7311] president of the Shijiazhuang prefectural intermediate people's court.

The decision on appointing Yin Jiucheng [1438 0036 2052] chief procurator of the Hengshui prefectural procuratorial office under the provincial people's procurorate.

3. Dismissals:

Li Guohua has been dismissed from his post of chairman of the Shijiazhuang prefectural work committee under the provincial People's Congress Standing Committee.

Dai Ruilin has been dismissed from his post of vice president of the provincial higher people's court.

4. Decisions on dismissal:

The decision on dismissing Wang Xuezhi from his post of president of the Chengde prefectoral intermediate people's court.

The decision on dismissing Ma Kui from his post of president of the Zhangjiakou prefectoral intermediate people's court.

The decision on dismissing Gong Linting from his post of president of the Shijiazhuang prefectoral intermediate people's court.

The decision on dismissing Jia Zhenyou from his post of chief procurator of the Hengshui prefectoral procuratorial office under the provincial people's procuratorate.

Inner Mongolia Economic Statistics Communique

SK1803092893 Hohhot NEIMENGGU RIBAO in Chinese 25 Feb 93 p 2

[Statistical communique on Inner Mongolia's 1992 economic and social development released by the Inner Mongolia Autonomous Regional Statistical Bureau on 18 February]

[Text] Under the leadership of the autonomous regional party committee and government, the people of various nationalities throughout the region conscientiously implemented the guidelines of Comrade Xiaoping's important speeches given during his south China inspection and the guidelines of the 14th national party Congress; lost no time in formulating the economic development strategy to "promote the entire work with opening up" and to "build two belts and one zone," which is compatible with the region's characteristics; and created a regionwide vigorous new situation in reform, opening up, and economic construction in 1992. The major figures of total demand and total supply rose comprehensively on the basis that supply and demand were basically in balance; various social undertakings made new headway; and living standards improved continuously. According to initial statistics, the annual gross national product [GNP] totaled 37.276 billion yuan, up 11.1 percent from the previous year. Of the total, the increased value of the tertiary industry came to 9.413 billion yuan, up 15.2 percent. Major problems in the operation of the economy were as follows: In light industry, production growth was sluggish, and some products were of poor quality and lacked an edge in market competition; the overall economic efficiency remained poor, and some enterprises were still producing unsalable goods and continued to default in debt repayment; and a lack of transportation facilities, impeded circulation, and a lack of funds still restricted the economic development of the entire region.

1. Agriculture

In 1992, the fundamental position of the region's agriculture and animal husbandry was further strengthened.

All localities continuously increased investment in agriculture and animal husbandry, applied more science and technology to and restructured their production, and won a comprehensive bumper harvest, despite the fact that some localities were hit by serious natural disasters. According to initial statistics, the annual increased value of agriculture was 12.636 billion yuan, up 4.6 percent from the previous year; and its proportion in GNP was 33.9 percent, down 2.6 percentage points.

Crop production continued to grow. In grain production, in particular, total output reached 10.468 million tons, an extraordinary bumper harvest after two years of bumper harvests in a row. It showed an increase of 885,000 tons over the previous year and set a new record in the region's grain output. The crop structure was further improved, with the proportion of fine-quality wheat and rice increasing. The output of wheat and paddy rice rose by 563,000 tons over the previous year, accounting for 63.8 percent of the increase of grain output. The output of oil-bearing crops was a record high, and the output of beets declined due to the decrease of the planted acreage.

The output of major farm products was as follows:

	1992	Percentage Increase
Grain	10.468 million tons	9.2
Wheat	3.303 million tons	17.9
Corn	4.354 million tons	5.2
Rice	414,000 tons	17.6
Soybeans	400,000 tons	-11.3
Tubers	587,000 tons	26.2
Oil-bearing seeds	814,000 tons	13.4
Sunflower seeds	568,000 tons	13.4
Beets	2.601 million tons	-14.1

Forestry production continued to develop. In the year, 370,800 hectares of land were afforested, up 10.7 percent from the previous year. More trees survived, reckless lumbering was effectively checked, and the ecological environment was further improved.

The region again reaped a bumper harvest in animal husbandry production in 1992, following bumper harvests the past seven years running. In the animal husbandry fiscal year, the total number of domestic animals (including pigs) reached 55.58 million head, only declining by 0.2 percent from the corresponding period in the previous year. By the end of 1992, the total number of domestic animals reached 41.634 million head, declining by 1.2 percent from the previous year. The total number of domestic animals slaughtered reached 17.588 million head, an increase of 2.2 percent over the previous year. Of this, the number of draft animals, sheep, and pigs slaughtered reached 1.381 million head, 12.495 million head, and 3.712 million head, with their slaughtered rate reaching 19.7 percent, 42.2 percent, and 66.3 percent, respectively. New headway was made in improving the breed of domestic animals.

The proportion of draft animals and sheep of fine and improved breed reached 53.8 percent, an increase of 0.2 percentage point over the previous year. The proportion of pigs of fine and improved breed reached 43 percent, up by 2 percentage point over the previous year. Output

of major livestock products still increased at varying degrees despite the decrease in the total number of domestic animals.

The output of major livestock products and the number of domestic animals in stock were as follows:

	1992	Percentage increase over 1991
Pork, beef, and mutton	608,000 tons	7.2
Pork	344,000 tons	11.0
Beef	99,000 tons	3.1
Mutton	165,000 tons	2.5
Cow milk	410,000 tons	6.2
Sheep wool	60,345 tons	-2.4
Of which:		
Sheep wool	58,178 tons	-2.6
Goat wool	2,272 tons	5.9
Draft animals in stock		
Mid-year figure	7.744 million head	-1.2
Year-end figure	6.902 million head	-1.4
Sheep in stock		
Mid-year figure	40.764 million head	-2.2
Year-end figure	28.567 million head	-3.5
Pigs in stock		
Mid-year figure	7.162 million head	14.7
Year-end figure	6.215 million head	11.0

Output of aquatic products continued to increase. In 1992, the output of aquatic products reached 35,700 tons, an increase of 11.1 percent over the previous year.

Conditions for agricultural and animal husbandry production improved further. By the end of 1992, the aggregate power of the region's farm and livestock machinery was 8.088 billion watts, up 2.8 percent over the previous year. There were 40,600 large and medium tractors, down 2.6 percent; 268,000 small tractors, up 4.5 percent; 12,100 trucks for agricultural use, down 1.6 percent; and irrigation and drainage equipment with a total capacity of 1.42 billion watts, up 0.8 percent. The acreage of farmland plowed with machines reached 2,984,700 hectares, up 5.4 percent. A total of 425,400 tons of chemical fertilizers (100 percent effective content equivalent) were used, up 12.9 percent. Electricity consumption in rural and pastoral areas was 1.4 billion kilowatt hours [kwh], up 19.3 percent.

The economy in rural and pastoral areas kept expanding. In 1992 such nonagricultural sectors of the economy as the rural industry, the building trade, the transportation trade, and the commercial and catering trade increased by 27.5 percent, 22.2 percent, 33.7 percent, and 73.1 percent over the previous year, respectively. The proportion of these sectors in the rural economy rose from 26.6 percent in the previous year to 30.9 percent. In particular, township and town enterprises extricated themselves from the stagnant situation and developed at a high speed, with the annual output value reaching 10.28 billion yuan, up 46.2 percent.

2. Industry and Building Industry

In 1992, the region conscientiously implemented the "Regulations on Changing the Managerial Mechanism of State-Owned Industrial Enterprises" and positively developed the range and quality of the industrial enterprise reform. By streamlining administration at every level, delegating powers to lower levels, and changing the enterprise managerial mechanism, the region invigorated enterprises. Along with the rapid increase in the demand for investment and exports, the industrial enterprises continued to speed up their production. The increased value of industry came to 12.1 billion yuan, an increase of 10.5 percent over 1991. The increased value of industry accounted for 32.9 percent of the GNP, an increase of 0.9 percentage points over 1991. Along with the enhancement of the market mechanism, the industrial structure was further readjusted. The increase in the output value realized by the collective industries and other sectors of the economy was faster than that of the entire industrial output value. The output value realized by the state industries rose by 7.9 percent, that by collective industries rose by 13.5 percent, and that by other sectors of the economy rose by 48.4 percent. The output value realized by large and medium-sized industrial enterprises also rose at a higher speed, an increase of 10.9 percent.

Stimulated by market demands, the heavy industry speeded up its rate of increase. The increased value of the heavy industry came to 8.764 billion yuan, an increase of 15.3 percent. Affected by sluggish sales, the light industrial growth rate was comparatively slow. The

increased value of the light industry was 3.336 billion yuan, an increase of 3.5 percent.

The output of major industrial products was as follows:

	1992	Percentage increase over 1991
Yarn	20,800 tons	-13.7
Cloth	94,603,200 meters	-12.6
Woolen fabrics	10,353,100 meters	-7.6
Chemical fiber	7,607 tons	0.9
Machine-made paper and paperboard	152,6000 tons	1.4
Sugar (including unrefined sugar)	292,200 tons	24.1
Cigarettes	292,500 boxes	3.7
White spirits	112,400 tons	5.4
Beer	196,200 tons	14.0
Salt	1,160,900 tons	15.3
Chemicals	1,527,16 tons	-62.1
Synthetic detergents	10,087.30 tons	5.8
Light bulbs	14,501,400	-12.8
Bicycles	10,552	36.5
Television sets	293,800	2.7
Of this: Color sets	213,100	24.9
Dairy products	27,2000 tons	2.2
Leather (calculated in terms of cattle hide)	474,300 pieces	2.5
Knitting wool	3,480 tons	-6.5
Woolen blankets	364,300	3.3
Carpets	542,300 square meters	16.2
Raw coal	48,079,600 tons	-2.3
Crude oil	1,000,500 tons	-0.01
Electricity	22.129 billion kwh	17.1
Pig iron	3,015,400 tons	11.3
Steel	3,075,800 tons	14.2
Of this: Steel products by Baotou Iron and Steel Co	2,767,400 tons	12.7
Coke (machine-made coke)	2,122,300 tons	-22.9
Aluminum	71,800 tons	11.3
Timber	4,696,000 cubic meters	-2.9
Cement	3,188,400 tons	17.8
Plate glass	1,634,400 weight boxes	-35.8
Sulphuric acid	72,200 tons	42.3
Soda ash	60,900 tons	45.7
Chemical fertilizer (100 percent effective content equivalent)	134,700 tons	7.7
Plastic	6,786 tons	15.4
Wind-driven generators	2,996	-44.2
Motor vehicles	166	16.9
Small tractors	12,800	-11.7
Rare-earth concentrate	12,700 tons	-16.9

Along with the accelerated industrial development rate, the economic efficiency of industry also improved. In 1992, the overall economic efficiency index of industrial enterprises exercising independent accounting at and above the township level was 66.8 percent, which was the same as the previous year. The sales rate of industrial products was 95.4 percent, showing an increase of 2.5 percentage points; the profit-tax rate of funds was 5.8 percent, down by 0.3 percentage points; the profit rate of cost was 1.7 percent, a decline of 0.6 percentage points;

the turnover time of working funds was 1.33 times, which was 0.05 times quicker; and the all-member labor productivity reached 6,376 yuan per capita, an increase of 9.4 percent. However, the overall economic efficiency level was still not high; the annual overall economic efficiency index of industry was lower than the national average level by 22.2 percentage points; many funds were tied up by finished products; and the number of loss-making enterprises and the volume of their deficits remained fairly large.

The production of building industry was rapidly developed. The increased value of the building industry during the year was 3.128 billion yuan, an increase of 38.7 percent over the previous year; and its proportion in GNP was 8.4 percent, up 1.8 percentage points; marking the year as one with the highest increase since reform and opening up. The state building enterprises undertook construction of 4.743 million square meters of houses, an increase of 16.8 percent over the previous year; and completed 1.756 million square meters, a decline of 11.3 percent. The economic efficiency of state building enterprises began to pick up, and the all-member labor productivity reached 15,782 yuan per capita, an increase of 14.8 percent over the previous year.

3. The Investment in Fixed Assets

The investment in fixed assets increased at a high rate. The annual entire social investment in fixed assets reached 14.595 billion yuan, an increase of 45 percent over the previous year, setting the highest record in history. Of this, the investment of state units was 12.084 billion yuan, an increase of 48 percent; the investment of collective units was 628 million yuan, an increase of 33.1 percent; and the investment of urban and rural individual units was 1.883 billion yuan, an increase of 31.6 percent. Carrying out new projects and expanding the scope of reconstruction projects still remained the major means of the investment activities during the year. The state units initiated 2,532 capital construction projects and projects on equipment replacement and technical updating during the year, an increase of 391 projects over the previous year. Of these, 1,945 were local projects.

The investment structure was readjusted. The capital construction investment of state units was 8.93 billion yuan, an increase of 49.4 percent over the previous year. Of the total, 6.959 billion yuan was invested in productive projects, up 50.6 percent, and 1.97 billion yuan was in nonproductive projects, up 45.3 percent. Of the investment in nonproductive projects, 862 million yuan were invested in building residential houses, up 37.9 percent. Of the investment in capital construction, 3.194 billion yuan were invested in the tertiary industry, up 53.9 percent, and its proportion in the capital construction investment rose from 34.7 percent in the previous year to 35.8 percent. Of the investment in the tertiary industry, 1.509 billion yuan were invested in the transportation, postal, and telecommunications industries, up 22.3 percent. In the total capital construction investment, 5.534 billion yuan were invested in industry and construction, and its proportion rose from 60.8 percent in the previous year to 62 percent. In the investment in industry and construction, investment in energy and raw materials rose by 0.3 percentage points; that in machinery and electronics industries declined by 0.05 percentage points. The investment in equipment replacement and technical updating was 2.558 billion yuan, up 40.94 percent. Of it, the investment in reconstruction projects reached 980 million yuan, and its proportion reached 38.4 percent; and the investment in saving energy, increasing product varieties, and raising

product quality reached 664 million yuan, up 52.3 percent, and its proportion reached 26 percent.

The construction of key projects continued to be intensified. In the year, 1,199 capital construction projects were completed and commissioned; up 156 from the previous year. Of the total, 1,042 were local projects, an increase of 172 over the previous year. Equipment renewal and technical transformation projects that were completed and commissioned totaled 838, down 66 from the previous year; and 20 of them were projects whose investment exceeded the stipulated norms. Forty-one large and medium-sized capital construction projects were officially started in the year, of which two were completed and commissioned; and more than 20 single-item projects were completed and commissioned. Large and medium-sized projects completed and commissioned included the Baotou Aluminum Plant's aluminum processing branch, whose annual capacity was 3,000 tons; and the Chagannuoer soda mine whose annual production capacity was 50,000 tons of caustic soda, 50,000 tons of soda ash, 25,000 tons of mirabilite soda, and 500,000 tons of natural soda.

The capital construction projects helped increase the following capacities: 40.4 tons of copper washing (concentrate containing copper), 7.75 million tons of coal mining, 200 tons of chemical fertilizer production, and 175 tons of nitrogenous fertilizer production (100 percent nitrogen content).

The equipment renewal and technical transformation projects helped increase the following capacities: 900 km of highways, 1,750 lines of local telephone exchange, 1,000 tons of caustic soda production, 12,000 kw of power generation, 164,000 volt-ampere of power transformation, and 4 million cotton spinning spindles.

4. Transportation, Post, and Telecommunication

Transportation and postal and telecommunications services maintained a fairly rapid growth rate. Their annual increased value totaled 2.922 billion yuan, up 12.3 percent from the previous year; and their proportion in GNP was 7.8 percent, down 0.1 percentage point. However, transportation became more and more incompatible with the needs in economic and social development. Railway transportation becoming more strained, the rather high fares of road transportation, and the low standard of roads prevented the transportation advantages from being further developed.

The volume of transportation by various means was as follows:

	1992	percentage increase over 1991
Cargo transportation		
Railway	51.52 billion tons/km	2.0
Highway	610 million tons/km	-7.5

	1992	percentage increase over 1991
Passenger transportation		
Railway	6.92 billion persons/km	14.2
Highway	3.49 billion persons/km	0.6
Airway	410 million persons/km	-2.4

Postal and telecommunications services developed more rapidly. The annual transactions totaled 322 million yuan (calculated according to 1990 constant prices), up 28.3 percent from the previous year. International, Hong Kong and Macao, and domestic mail totaled 80,034 million pieces, express mail 89,000 pieces, and long-distance calls 26,356 million, up 2.8 percent, 1.65 times, and 53.9 percent, respectively. The year-end number of pager carriers was 8,257, up 1.2 times; and that of mobile phone subscribers 636, up 4.7 times. Urban telephone subscribers totaled 187,000, up 14.7 percent from the year-end number of the previous year. Despite the fairly rapid development in postal and telecommunications services, the shortage in telecommunications capacity remained conspicuous.

5. Domestic Commerce and Market Prices

Consumer goods markets grew steadily. In 1992, supplies were sufficient for the consumer goods markets, and purchases and marketing brisk. The region's annual commodity retail sales totaled 18,696 billion yuan, up 14.6 percent from the previous year (or up 7.3 percent when allowing for price rises). The retail sales of consumer goods were 16,869 billion yuan, up 15.9 percent; and those of the means of agricultural production 1,827 billion yuan, up 3.6 percent. Of the total retail sales volume of consumer goods, that of urban areas was 13,997 billion yuan, a 16.8 percent increase over 1991; and that of rural and pastoral areas was 2,872 billion yuan, a 12 percent increase over 1991. The commodity sales volume of state units showed a 15.7 percent increase, that of collective units showed a 5.2 percent increase, and that of individual units showed a 26.2 percent increase. The sales volume of the commodities sold by peasants and herdsmen to nonagricultural people showed a 24.1 percent increase. Calculating in terms of the sales volume of foods, the sales volume of grains showed a 21.9 percent increase; that of edible vegetable oil a 53.2 percent increase; that of pork a 15.6 percent increase; that of beef an 8.6 percent decrease; and that of mutton a 5.5 percent decrease. The sales volume of clothes showed a decrease. In durable consumer goods, the sales volume of color television sets showed a 16.5 percent increase, that of refrigerators a 37.2 percent increase, and that of electric fans a 23.1 percent increase.

The markets for means of production achieved further development. The means of production purchased by the material supply and marketing enterprises throughout the region totaled 3,706 billion yuan in the year, up 3.9

percent from the previous year; and those sold by them totaled 5,788 billion yuan, up 43.9 percent.

A fairly big stride was made in the price reform. The region accelerated the price reform in 1992. It gradually expanded the proportion of the prices regulated by the market; raised the grain purchasing and marketing prices; issued the price reform projects concerning railway freight transportation, coal, and other basic products, and a number of public utilities; and raised the prices of some nonstaple foodstuffs, house rents, and other service business in urban areas. The prices of more farm and animal products were regulated by markets. Thus, the price mechanism took shape and was gradually improved. Although there were price increases, prices remained basically stable. Judging from the society as a whole, the difference between urban and rural areas was large. In urban areas, due to the rather large rises in grain prices, house rents, water and electricity charges, tuitions and miscellaneous charges of schools, and charges for haircuts, the people's cost of living rose a great deal. However, the increase in the general level of commodity prices still remained in the limit that could be withstood by the people because of the sufficient supply of consumer goods and particularly because of the relatively stable commodity prices in rural and pastoral markets.

The 1992 price changes were listed as follows:

	Percentage increase over 1991
a. People's cost of living prices	7.4
Of which:	
urban areas	8.7
and pastoral areas	3.9
b. The general level of retail prices	6.8
Of which:	
consumer goods	7.4
foodstuff	11.5
grains	31.6
edible vegetable oil	18.2
clothes	4.8
daily necessities	2.9
cultural and recreation commodities	-6.8
books, newspapers, and periodicals	2.0
medicine and medical instrument	9.6
building and decoration materials	0.8
fuels	6.5
means of agricultural production	2.2
c. The index of service charges	7.4
Of which:	
urban areas	8.8
rural and pastoral areas	3.6
d. The purchasing prices of energy resources and raw materials	12.1
e. The ex-factory prices of industrial products	9.8
f. The purchasing prices of farm and sideline products	4.0

6. Foreign Economic Relations

In 1992, our region carried out the development strategy of "bringing along the overall situation with opening up" and building "two belts and one zone." The pace of opening to the outside world was accelerated further. Foreign trade was extraordinarily brisk in the two land ports and 18 border banners and counties. In particular, the trade with the CIS and Mongolia went beyond the simple barter trade and developed towards overall cooperation in the economy, technology, and trade. Import and export developed rapidly as never before.

A record high was set in the total amount of imports and exports. In 1992, the regional total volume of imports and exports was \$940 million, up 56.7 percent from the previous year. Of this, the total amount of exports was \$590 million, and that of imports, \$350 million, an increase of 40.5 percent and 94.4 percent, respectively, over the previous year. In the total amount of imports and exports, the amount of the barter trade with the CIS and Mongolia reached \$430 million, up 104.8 percent from the previous year. The products exported for earning foreign exchange reached 599 in variety, 21 more than that in the previous year. The pace of utilization of foreign capital was speeded up. In 1992, the region signed 299 new agreements for the utilization of foreign capital worth \$450 million, up 230 percent from the previous year, and the foreign capital actually utilized during the year was \$90 million, up 350 percent. By the end of 1992, 326 joint venture enterprises involving foreign capital registered in the region, 240 more than the number calculated by the end of the previous year.

Tourism was in the ascendant. In 1992, new progress was made in the region's tourism, and, in particular, the grassland tourist festival attracted a large number of overseas tourists. In 1992, the region received 104,000 overseas tourists, up 166.7 percent over the previous year. Of these tourists, 11,000 were Overseas Chinese and our compatriots in Hong Kong, Macao, and Taiwan, up 10 percent from the previous year. In 1992, foreign exchange income from tourism was \$2.56 million, up 14.8 percent.

7. Finance, Banking, and Insurance

In 1992, the regional financial situation improved. Preliminary statistics show that the regional financial revenue totaled 3.896 billion yuan (excluding the special revenue from the power project construction fund and the social insurance fund), up 10.1 percent from the previous year. Of this, industrial and commercial tax revenue amounted to 3.353 billion yuan, up 11.9 percent. The regional financial expenditure totaled 7.218 billion yuan (excluding the special expenditure of the power project construction fund and the social insurance fund), up 12.6 percent from the previous year. Of this, the appropriations for capital construction amounted to 649 million yuan, up 4 percent; the appropriations for tapping enterprises' potentials and for technological transformation amounted to 469 million yuan, up 30.7

percent; the appropriations for supporting rural production and for helping operate agricultural, forestry, water, and weather departments amounted to 1.772 billion yuan, up 13.4 percent; and the appropriations for subsidizing the price difference amounted to 960 million yuan, up 26.1 percent.

The banks' role in supporting the economy was enhanced obviously. By the end of 1992, savings deposits of banks amounted to 26.282 billion yuan, 5.705 billion yuan more than the figure at the beginning of the same year, or an increase of 27.7 percent. Of this amount, savings deposits of enterprises went up rapidly, with the total amount reaching 7.83 billion yuan by the end of 1992, an increase of 2.991 billion yuan, or 61.8 percent, over that at the beginning of the same year. The amount of bank loans of various kinds totaled 39.516 billion yuan, an increase of 6.831 billion yuan over that at the beginning of the same year, and an increase of 20.9 percent over that at the end of the previous year. The monetary market became more brisk with each passing day, giving rise to a stock boom and bond boom. In 1992, the region purchased 707 million worth of financial bonds of various kinds, up 97.5 percent over the previous year. In 1992, the cash income of banks totaled 45.698 billion yuan, up 33.0 percent from the previous year, and the cash expenditure of banks totaled 51.509 billion yuan, up 36.5 percent. The accounts show a net currency issuance of 5.811 billion yuan, up 71.9 percent from the previous year.

New headway was made in the insurance business. The region's total insurance business income came to 619 million yuan, an increase of 96.7 percent. There were 160 insurance categories, an increase of 40 over 1991. The premium for property insurance of various kinds totaled 578 million yuan, an increase of 18.2 percent; and that for life insurance totaled 32.2 billion yuan, an increase of 19.3 percent. Some 11,600 enterprises in the region bought enterprise property insurance policies, and 4,762,100 people bought life insurance policies. The insurance companies handled 249,700 claims for life and property losses and paid 114 million yuan for property insurance and 50 million yuan for life insurance.

8. Science and Technology, Education, Culture, Public Health, and Sports

The development of scientific and technological undertakings was accelerated. The reform of the scientific and technological system helped promote, in a step-by-step manner, the combination of science and technology with the economy. Science and technology started to play an increasingly more important role in the region's economic construction. In 1992, 390 scientific and technological findings were registered as regional-level ones. Of these, the major scientific and technological findings included: "Popularization of the technology for dry land and thin planting of paddy rice," "the technology for extracting natural carotene from salt algae," "steel and plastic protective hoops" [gang su bao hu huan 6921 1043 0202 6233 3883], and "the research on overall

development and reasonable utilization of the Maowusu sandy area." Five hundred and ten patent rights were applied during the year, an increase of 18.3 percent; and 242 patent rights were approved, an increase of 58.2 percent. Scientific and technological markets became more brisk. A total of 1,501 technological contracts were signed, and their transaction volume reached 143.14 million yuan, respectively increasing 14.7 percent and 85.9 percent. Of this, 615 contracts were signed within the region, and their transaction volume reached 36.25 million yuan, respectively increasing 35.5 percent and 111.3 percent. A total of 113 technologies were exported to outside the region, and the transaction volume of these technologies came to 17.12 million yuan, respectively increasing 25.6 percent and 25.8 percent. Seven hundred and seventy-three technologies were imported from outside the region, and the total transaction volume of these imported technologies reached 89.77 million yuan, respectively increasing 1.2 percent and 94.1 percent. The region made rapid development in technological trading organizations. As of the end of 1992, the region had 488 technological trading organizations engaged in the development of technologies, the transfer of technologies, technological consultation, and technical service; and these organizations had an employment of 8,318 people, respectively increasing 1.2 times and 1.7 times. The contingents of science professionals and technicians were further expanded. The number of young and middle-aged science professionals and technologies became large. Technicians of various specialties increased in number.

On the basis of paying attention to educational quality, the region continued to consolidate and develop various categories of educational undertakings. The education for the minority nationalities was further strengthened. In 1992, the region recruited 82 postgraduates. There were 260 postgraduates at the end of the year, an increase of 17 students. Ordinary institutions of higher learning recruited 10,012 students taking regular and special courses, an increase of 325 students. The year-end total enrollment in these institutions reached 31,779 students, including 8,302 students of minority nationalities, respectively increasing 672 students and 161 students. The institutions of higher learning for the adults had an enrollment of 14,323 students, including 3,005 students of minority nationalities, respectively decreasing by 1,337 students and 738 students. The secondary education was further strengthened. The secondary specialized schools recruited 18,133 students, an increase of 112 students. The enrollment in these schools reached 52,792 students, including 13,605 students of minority nationalities, respectively increasing by 702 students and 8,587 students. The year-end enrollment in secondary vocational schools reached 145,108 students, and the enrollment in vocational high schools reached 67,548 students, respectively increasing by 19,245 students and 4,243 students. The enrollment in ordinary high schools reached 192,935 students, including 44,361 students of minority nationalities, respectively increasing by 6,394 students and 3,130 students. The

enrollment in the secondary specialized schools and the technical training schools for adults reached 50,247 students, an increase of 19,982 students over the previous year. Of this, there were 7,836 students of minority nationalities, a drop of 1,541 students from the previous year.

Continued efforts were made to popularize the compulsory education. At the end of the year, the number of students studying in ordinary junior middle schools reached 855,200, a decline of 6,800 students from the previous year. Among them, 178,800 were students of minority nationalities, an increase of 6,600 over the previous year. The number of students studying in primary schools was 2.363 million, and 504,000 of them were minority people, an increase of 22,000 and 5,000, respectively, over the previous year. Adult education aiming at eliminating illiteracy was extensively conducted. The school entrance rate of school-age children reached 98.1 percent, up 1.2 percentage points over the previous year.

Cultural work steadily developed. During the year, six feature films were produced and 33 films were dubbed into the Mongolian language, showing an increase of two and five, respectively, over the previous year. There were 2,051 film projection units of various kinds at the end of the year, a decline of 120 from the previous year. There were 186 art work organizations, an increase of one over the previous year, of which 119 were performing arts troupes. There were 103 cultural halls, 12 museums, and 137 archives of various descriptions. At the end of the year, there were 38 radio broadcasting stations in the region, an increase of two stations over the previous year; 47 radio transmission and relay stations, a decline of five from the previous year. The comprehensive radio coverage rate reached 75 percent. There were 25 television stations; and there were 873 television transmission and relay stations, an increase of 29 stations over the previous year. The comprehensive television coverage rate reached 74 percent. The autonomous region and the league and city press units published 180.79 million copies of newspapers during the year, a decline of 1.9 percent from the previous year. Of the total, 10.14 million copies were in the Mongolian language, up 17.8 percent over the previous year. A total of 15,138,000 copies of magazines of various kinds were published, of which 1,799,700 copies were in the Mongolian language, showing an increase of 13.8 percent and 4.7 percent, respectively, over the previous year. A total of 78,408,600 copies of pictures and books were published, of which 7,786,900 were copies in the Mongolian language, a decline of 5.5 percent and 5.6 percent, respectively, from the previous year.

Public health work was further developed and the medical-care conditions in the rural and pastoral areas improved unceasingly. At the end of the year, the whole region had 5,253 public health organs, of which 1,928 were hospitals, showing an increase of 1.6 percent and 0.1 percent, respectively, over the previous year. Of the hospitals, 1,484 hospitals were distributed in rural and

pastoral areas. The whole region's medical-care and public health units had 64,400 hospital beds at the end of the year, of which 30,200 hospital beds were in the public health units of the rural and pastoral areas, an increase of 2.4 percent and 1.3 percent, respectively, over the previous year. At the end of the year, there were 100,400 health workers, of whom 87,000 were high-grade ones, up 2.4 percent and 1.3 percent, respectively, over the previous year. Among the middle and high-grade health workers, 47,100 were doctors, and 3,300 of them were doctors of Mongolian medicine.

Sports undertakings continued to develop. During the year, our region's athletes participated in major international and domestic competitions, during which one athlete broke one world record on one occasion, one athlete broke one Asian record on one occasion, one athlete broke one national record on one occasion, and 37 athletes broke the regional records on 85 occasions. During major competitions at home and abroad, we captured 15 championships. At the end of the year, we trained 1,340,400 people in line with the "state sports training standards." There were 716 athletes who had reached certain grades, one of whom attained the international master sportsman standard.

9. Population and the People's Living Standards

Calculated according to a sample survey on the 1992 regional population changes, in 1992, the whole region's birth rate was 17.07 per 1000, the death rate was 6.73 per 1000, the natural population growth rate was 10.34 per 1000, and the year-end total population of the region was 22,065,500 people, an increase of 227,000, or 1.03 percent, over the end of the previous year. Certain achievements were made in the whole region's family planning work, and population growth was initially brought under effective control.

Urban and rural people's income increased continuously, and living standards were further improved. According to sample surveys, the region's urban people per-capita cost of living income was 1,344.47 yuan in 1992, up 167.5 yuan, or 14.2 percent, from the previous year. When allowing for price increases, the real increase was 5.1 percent. However, the income of the workers of some enterprises with poor production efficiency grew slowly. The per-capita net income of peasants and herdsmen was 719 yuan, up 10.3 percent, or up 7.8 percent when allowing for price increases. The per-capita net income of peasants was 672 yuan, up 8.8 percent; and that of herdsmen 1,022 yuan, up 17.8 percent. When allowing for inflation, the real increase was 6.5 and 14.4 percent, respectively.

The number of consumer goods owned by every 100 urban and rural households was as follows:

	Urban People		Peasants		Herdsmen	
	1992	1991	1992	1991	1992	1991
Black-and-white TV's	35	39	54	49	49	46
Color TV's	69	65	9	6	10	12
Washing machines	82	81	16	14	7	7
Recorders	66	65	21	19	62	64
Motorcycles	4.6	4.2	1.5	1.4	36	33

Units at various levels and of various ownerships developed in various fields in urban areas, and the number of staff members and workers continued to increase. The region arranged jobs for 155,000 jobless people in 1992, up 9.9 percent from the previous year. The year-end number of the staff members and workers in all the departments of the primary, secondary, and tertiary industries totaled 3.912 million, up 2.1 percent from the previous year. Of the total, those of state departments totaled 3.015 million, up 2.8 percent from the figure calculated at the beginning of the year; and those of collective departments totaled 893,000, remaining the same as the figure calculated at the beginning of the year. The region's year-end number of urban self-employed laborers totaled 230,000, up 9 percent from the previous year.

Workers' income continued to rise. The annual total wage of staff members and workers was 9,002 billion yuan, up 19.1 percent from the previous year. Of the total, the wage of state enterprises was 7,384 billion yuan, and that of collective enterprises 1,599 billion yuan, up 20.0 and 14.8 percent, respectively. The average per-capita cash income of the region's staff members and workers was 2,340 yuan, up 16.3 percent from the previous year. The average per-capita income of the staff members and workers of state units was 2,506 yuan, and that of collective units 1,842 yuan, up 16.7 and 17.1 percent, respectively.

Urban and rural savings deposits increased substantially. The year-end amount was 17,906 billion yuan, an increase of 2,574 billion yuan, or 14.4 percent, from the amount calculated at the beginning of the year.

The housing conditions, water, heat, and gas supplies, and living and recreational services for urban people were improved to varying degrees.

Notes: 1) All figures in this communique are preliminary statistics.

2) The GNP and the increased value of various industries quoted in the communique are at current prices for the year, and growth rates are calculated at comparable prices.

3) Increased value refers to the value increased in the process of producing materials and products and providing services by various social departments, including mainly the remuneration for laborers, profits, taxes, and depreciation. It does not include the value of the energy resources and raw materials consumed in the process. The total of the increased value of all departments is the gross domestic product, and the total of the gross domestic product and the net income from various major sources abroad is GNP.

Inner Mongolia's Wang Qun Attends Farming Forum

SK2003125793 Hohhot NEIMENGGU RIBAO in Chinese 4 Mar 93 p 1

[Text] The regional party committee recently held a Standing Committee meeting to study and devise plans for making preparations for the current spring plowing and sowing work.

Wang Qun, secretary of the regional party committee, presided over the meeting. Wu Liji and Liu Yunshan and the Standing Committee members staying in the region attended the meeting.

The meeting participants believed that the whole region's current situation in preparing for spring plowing and sowing is good. In order to reap a bumper agricultural harvest this year, party committees and governments at all levels and comrades on the agricultural front have actively done much work on their own initiative and laid a good foundation for farming. The current situation is good. First and most important is that the party Central Committee and the State Council have issued many important policies and measures governing agricultural production which have safeguarded and mobilized the enthusiasm of peasants; second, we reaped a bumper agricultural harvest last year; third, since last winter, party committees and governments at all levels and comrades of the agricultural departments have firmly grasped this work, done meticulous work, and laid a good foundation; and, fourth, the trend toward market demand and grain prices are very favorable for farming, and the market quotation for cash crops is particularly good. We should fully use these favorable conditions, pay close attention to preparing for spring plowing and sowing, and lay a solid foundation for pushing this year's agriculture to a new stage.

The meeting called on party committees and governments at all levels, all relevant departments, and comrades on the agricultural front to meet high standards, set strict demands and do a good job in preparing for spring plowing. It is necessary to implement the work in three aspects, namely, the policies issued by the central authorities and the State Council, the target on making the net

income of peasants increase by more than 100 yuan this year, and the planned targets of the governments at all levels.

The meeting participants stressed: In preparing for spring plowing and sowing, the most important thing is to carry out all kinds of work in places where needed. First, we must have correct ideas, firmly cultivate the idea that "agriculture is the foundation of the national economy and grain production is the most important foundation," and never delay the farming schedule but enhance the sense of urgency; second, we must put the funds in place; third, we must deliver the means of production in places where needed; and, fourth, leaders must assume personal leadership over this work, and particularly the principal leaders of various leagues, cities, banners, and counties and leaders in charge of agricultural work must go to the forefront to discover and solve problems.

The meeting participants pointed out: In line with the objective of building the socialist market economic system, banners and counties should accelerate the establishment of the comprehensive service system which aims at serving agriculture and animal husbandry, carry out comprehensive structural reform, and provide comprehensive services for agriculture.

The meeting also called for efforts to do a good job in signing grain purchasing and marketing contracts to guarantee the needs of the state and the autonomous region. The State Council recently took the lead in reforming the agricultural leadership pattern and issued a series of economic policies for promoting grain reform and the development of production. All leagues, cities, banners, and counties should conscientiously implement these policies one by one in line with their own local reality. It is necessary to sign grain purchasing contracts with peasants, conscientiously implement preferential policies, and give real benefits to peasants. By no means should we withhold them.

The meeting heard a briefing given by the regional agricultural committee on the current situation in preparing for spring plowing and sowing.

Alatanouqier, vice chairman of the regional government, and responsible comrades of the relevant regional departments attended the meeting as observers.

Li Ruihuan Meets, Praises Taiwan Entrepreneur

OW1803105293 Beijing XINHUA Domestic Service in Chinese 0340 GMT 14 Mar 93

[By reporters Qu Zhenxuan (2575 2182 6513) and Yu Changhong (0060 7022 3163)]

[Excerpts] Beijing, 14 Mar (XINHUA)—Li Chih-jen, president of Taiwan's Sheng-ta-chuang Cultural Enterprise Group, donated 10 million new Taiwan dollars for building and expanding 100 elementary schools in old revolutionary base areas, minority nationalities regions, and frontier and poor regions on the mainland. His donation has been highly praised by all quarters.

Li Chih-jen is a well-known calligrapher, painter, and entrepreneur in Taiwan. He visited the mainland several times, including some old revolutionary base areas, minority nationality regions, and frontier and poor regions there. [passage omitted]

Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee, has met with him and praised his deeds as very far-sighted and significant.

PLA Unit Rescues Crew of Taiwanese Vessel

OW2003114693 Beijing XINHUA Domestic Service in Chinese 1542 GMT 19 Mar 93

[By correspondent Liu Weihua (0491 3634 5478)]

[Text] Xiamen, 19 Mar (XINHUA)— Thanks to the strenuous rescue efforts of the officers and men of a certain unit, the crew of a Taiwanese vessel which ran against a rock in the waters of Xiamen were taken out of danger.

In the early morning of 18 March, the Taiwanese vessel "Yufa No.1," which was in Xiamen for a labor cooperation affair, accidentally ran against a rock in the waters near Xiamen. Massive flooding of the engine room knocked the machinery there out of order, and the vessel slowly began sinking. At this critical juncture, a unit stationed in Xiamen immediately dispatched a rescue vessel upon learning about the event. Officers and men, cooperating fully with the relevant departments, and braving rains and winds for five hours at a stretch, finally towed the distressed Taiwanese vessel to a safe zone.

The rescued Taiwanese sailors said movingly: Mainland armymen are our saviors.

Investment Accord With U.S. To Go Before Yuan
OW2303104293 Taipei CNA in English 0746 GMT
23 Mar 93

[Text] Taipei, March 23 (CNA)—Taiwan and the United States will very soon sign an investment framework agreement to ensure a regular trade communication channel, Vice Economic Affairs Minister Yang Shih-chien said Monday [22 March].

Yang pointed out that the two sides inked the English version of the draft pact in Washington, D.C. in mid-January. The draft pact is now pending approval of the Executive Yuan.

The Coordination Council for North American Affairs and the American Institute in Taiwan are now working together on the signing of the investment accord, he added.

The two quasi-official organizations represent their respective countries' interests in the absence of diplomatic relations.

Under the soon-to-be-signed agreement, the vice minister noted, Taipei and Washington will jointly set up a committee to take charge of trade consultations. The committee will form several task forces for research and planning of major topics, he elaborated.

The investment framework accord should have a decided effect in helping resolve trade disputes between Taiwan and the United States, thereby having a positive effect on ties between the two countries, Yang stressed.

Policy Toward Beijing 'Remains Unchanged'
OW2203154493 Taipei CNA in English 1526 GMT
22 Mar 93

[Text] Tokyo, March 22 (CNA)—The Republic of China [ROC]'s policy toward Mainland China remains unchanged at present although civilian exchanges across the Taiwan Straits have increased in recent years, a ranking ROC official said here Monday.

Huang Kun-huei, chairman of the ROC's cabinet-level Mainland Affairs Council, was speaking at the opening ceremony of the 20th Sino-Japanese symposium on mainland Chinese problems, which gathered some 80 scholars and experts from the two countries.

With the theme of "International New Order and Communist China," the three-day symposium will focus discussion on the Chinese Communist Party and the political, economic and social situation in Mainland China.

In his speech, Huang said Taipei has not changed its policy of seeking eventual unification of China under its national unification guidelines, which call for the accomplishment of the process in three phases without a timetable.

At the current stage, he said, the guidelines call for both sides of the straits to increase civilian exchanges on a mutually beneficial basis.

He also called on Japan to assist other Asian countries, especially those countries that had been controlled by the communists, to develop their economy and implement democracy.

Taipei May Discuss Judicial Affairs With PRC
OW2303104593 Taipei CNA in English 0819 GMT
23 Mar 93

[Text] Taipei, March 23 (CNA)—The Republic of China [ROC] is willing to talk with mainland Chinese judicial authorities on judiciary cooperation on an equal footing, a ranking official said Monday [22 March].

The official in charge of judicial administration and mainland affairs at the Judicial Yuan, who preferred anonymity, was responding to a mainland Chinese call for cooperation between courts on both sides of the Taiwan Straits.

Ren Jianxin, president of mainland's Supreme People's Court, said in his report to the on-going 8th National People's Congress that mainland courts hope to cooperate with their Taiwan counterparts in handling lawsuits in order to better protect legal rights of people on both sides of the Straits.

Ren said mainland courts have handled 1,140 lawsuits involving Taiwan people during the past five years.

In response, the Judicial Yuan official said cross-Strait judicial cooperation must be conducted on an equal footing and on a reciprocal basis. "If mainland authorities would not downgrade the status of our courts, we would be happy to talk with them on possible judiciary cooperation," he added.

PRC Rejects Journalists' Visit to Taipei
OW2303105693 Taipei CNA in English 0822 GMT
23 Mar 93

[Text] Taipei, March 23 (CNA)—A Straits Exchange Foundation (SEF) plan to invite 12 mainland Chinese journalists to visit Taiwan seems to have been stopped by Peking, a SEF official reported Monday [22 March].

The SEF received a message from Peking's Association for Relations Across the Taiwan Straits (ARATS) yesterday saying it cannot help organize the 12-member group to visit Taiwan.

"It is not easy to organize the group as the 12 reporters reside in different provinces," the ARATS said in its faxed message.

"We regret that the ARATS is unwilling to extend a helping hand," the SEF official said. "The invitation was

meant to help mainland people better understand the real Taiwan through the eyes and pens of mainland journalists," he added.

Despite the setback, the official said, the SEF will continue to sponsor news coverage tours of Taiwan by mainland reporters.

The SEF invited several veteran mainland newsmen to visit the island last year.

'Greater' Hong Kong, Macao Freedom Supported

*OW2303105293 Taipei CNA in English 0803 GMT
23 Mar 93*

[Text] Taipei, March 23 (CNA)—President Li Teng-hui Monday [22 March] threw support behind his fellow countrymen in Hong Kong and Macao in their pursuit of greater political and economic freedom.

Li indicated that the government of the Republic of China [ROC] would not pull its officials out of the two locales after they revert to Chinese Communist rule, for Hong Kong in 1997, and for Macao in 1999.

Li made the remarks when receiving a 17-member delegation of a Hong Kong and Macao benevolent association.

The Mainland Affairs Council, Li pointed out, has come up with a package of countermeasures to protect the interests of Hong Kong and Macao residents.

Li hoped that residents of the two colonies would actively participate in the formation of a Taiwan industrial and commercial association and a Taiwan-Hong Kong exchange fund, which he said would become the linchpin of government efforts to push ahead with Hong Kong and Macao affairs.

Premier Lien Chan also met the group earlier Monday. Though uncertain about the direction of relations between Taiwan and the mainland, Lien said the ROC Government will proceed with its ongoing Hong Kong and Macao policy for now.

The premier stated that both Hong Kong and Macao are closely linked to the Republic of China in their prosperity and stability. While saying the 20 million residents here are very much concerned about the future of Hong Kong and Macao, he said that the development of Taiwan should also be a major concern of five million Hong Kong and Macao people.

Direct links with Hong Kong and Macao, ranging from economic and trade to transportation and tourism, will be sustained after the two colonies are handed back to China, unless barriers are erected intentionally by the Chinese Communists, Lien told his guests.

Tokyo Urged To Upgrade Contacts With Taipei

*OW2203163493 Taipei CNA in English 1547 GMT
22 Mar 93*

[Text] Tokyo, March 22 (CNA)—Japan should upgrade its official contacts with the Republic of China [ROC] on Taiwan by sending cabinet ministers to visit Taipei, said Lin Chin-ching, Taipei's new representative to Tokyo.

Lin said in an interview with the KYODO NEWS SERVICE that except for Japan, all major Western countries have sent cabinet-level officials to Taipei in the past year.

These countries included the United States, France and Germany, he added.

In the past, KYODO said, many foreign officials avoided to make open trips to Taiwan for fear of irritating Peking, but the situation has changed now partly because of the business opportunity provided by Taiwan's large development projects.

Lin is scheduled to come to Tokyo on April 15 to assume his new post. The interview with KYODO, conducted in Taipei, was printed by the English-language JAPAN TIMES on Sunday.

Cooperative Relations With Nauru To Improve

*OW2303104793 Taipei CNA in English 0809 GMT
23 Mar 93*

[Text] Taipei, March 23 (CNA)—The presidents of both the Republic of China [ROC] and Nauru Monday [22 March] vowed to continue to promote bilateral cooperative relations based on a longstanding cordial friendship.

The remarks were made in a luncheon hosted by President Li Teng-hui at the Grand Hotel in honor of his Nauru counterpart Bernard Dowiyogo, who arrived here March 21 on a six-day state visit.

President Li recalled that Dowiyogo visited the ROC for the first time in 1990. The next year, Dowiyogo visited Taipei again and signed a fishery cooperative agreement with the nation.

Li noted that he will exchange views with Dowiyogo on the development of the south Pacific and on matters of mutual concern.

"I have great faith that your visit will do much to enhance the friendly relations between our countries," Li said.

During the banquet, Dowiyogo thanked the people and government of the Republic of China for the assistance extended to his country in the past years.

The Nauru president said he has been deeply impressed by the nation's progress and prosperity each time he visited here.

While lauding the prospects for future cooperation with the nation, the Nauru chief of state also repeated his unwavering support for the ROC.

Earlier Monday, Dowiyogo paid a courtesy call on Chairman Sun Ming-hsien of the Council of Agriculture. In the meeting, Dowiyogo expressed his hope that the ongoing fishery cooperation between the two countries can be further strengthened.

The ROC signed an Agricultural Technological Cooperation Pact with Nauru in 1991. The friendship marked another step forward last year when Taipei sent an agricultural mission to the south Pacific country to help develop its fish farming technologies and the growing of vegetables and fruits.

With a population of 8,500, Nauru occupies a land of 21.3 square kilometers. Its per capita gross national product tops US\$20,000.

Taipei, Moscow To Discuss Exchange of Flights
*OW2303105793 Taipei CNA in English 0825 GMT
23 Mar 93*

[Text] Taipei, March 23 (CNA)—The Republic of China [ROC] and Russia are expected to enter into technical talks next month in Moscow on exchanges of flights between the two nations. Foreign Ministry officials said Monday [22 March].

Both nations reached a memorandum of understanding (MOU) for the aviation cooperation last year.

In a recent seminar on Taipei-Moscow ties in Moscow, Oleg Lobov, chairman of Moscow-Taipei Economic and Cultural Commission said that the Russian Government has given a green light to the MOU which was also endorsed by the ROC Government earlier.

The officials said that if everything goes smoothly, the Taipei-Moscow air links will be established very soon.

It was learned that several local and Russian airlines have expressed interest in serving the route, indicating it would be a "golden line" in the future.

Hong Kong

UK Urged To Recall Patten To Preserve Image

*CW2303132993 Shanghai JIEFANG RIBAO in Chinese
23 Mar 93 p 3*

[By He Manzi (0149 3341 1311)]

[Text] The wisest course for the British Government is to recall Hong Kong Governor Chris Patten, a descendent of colonialism.

Britain is an old-line, capitalist, democratic country which was previously an old-line colonial state. At any rate, "democracy" is fine and sounds pleasant to the ear, whereas colonialism has been notorious for a long time and is historical garbage. It is a pity that a country, like a human body, is a complicated organism affected by genes. The fundamental nature of colonialism will inevitably wriggle out under the system of democracy and civilization. This time it has been nakedly exposed on Chris Patten's body.

Hong Kong's sovereignty will be returned to China in three or four years. Unwilling to give up, the colonialists want to stir up trouble, and they have, in this latest incident, deliberately set up barriers for a smooth transition under the guise of granting "democracy" to Hong Kong. Chris Patten did not bother to think. Hitting the nail right on the head, a BBC reporter asked former British Prime Minister Heath: "We have ruled Hong Kong for more than a century. What have we done for democracy there? Nothing." However, seized by a whim when they are about to leave, the colonialists are suddenly showing concern for Hong Kong's democracy. This is like a prostitute who suddenly advocates chastity after a lifelong career. Is this not exactly what Chris Patten is doing?

Of course, those who are represented by Patten are people with colonialist desires from political circles in Britain. In addition to plundering, colonialists also have a despicable desire for sabotage. Hong Kong will inevitably revert to China. The colonialists are not willing to allow the original owner to take over smoothly what they have lost. This being the case, they want to make trouble and create some unpleasant inconveniences. They have not bothered to use their brains to think a little that the world is no longer in the 19th Century, when everything was dictated by colonialists, and that China is no longer a country that can be manipulated by others and will make concessions on the question of principle regarding sovereignty. The trouble created by Patten will only give rise to the following consequences: Losing face for Britain and creating for the British Government the image of being perfidious, of not observing international practices, and of going back on one's word. Such an image is abhorred by Britain's democratic, civilized, and wise people. Therefore, Chris Patten is not only a person

who obstructed the agreements between the two countries and created trouble for Hong Kong's smooth transition but also a criminal who damaged Britain's international reputation.

Some people in the British Government have issued statements of support for their subordinate to save the face of the person they have appointed. This has somewhat boosted Patten's arrogance. In fact, this has also ruined the international reputation of Britain, and to do such a thing is very unwise. As for some people who have vainly attempted to incite international forces with a colonialist mentality to exert pressure on China, it is sheer idiocy! Will the 1.2 billion Chinese people be overwhelmed by so-called international pressure on the question of sovereignty?

It seems that recalling Chris Patten, who has lost Britain's face, is the best way for Britain to regain its reputation and safeguard its image of democracy and civilization.

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It seems that recalling Chris Patten, who has lost Britain's face, is the best way for Britain to regain its reputation and safeguard its image of democracy and civilization.

Official Says Patten 'Not Welcome' To Remain
HK2303042693 Hong Kong MING PAO in Chinese 23 Mar 93 p 2

[“Special report”: “The Chinese Side Does Not Welcome Chris Patten To Remain at Post and Hints That If the Situation Changes, All Meetings Can Proceed As Usual”]

[Text] Yesterday a Chinese official who was unwilling to have his identity revealed told our reporter that if Chris Patten does not make some alterations in handling problems, it will be impossible for the Sino-British Land Commission, the Sino-British Joint Liaison Group, or the Sino-British Airport Committee to meet in a short period to come, but he did not indicate how Chris Patten should change.

When asked if he was worried about the impact of these developments on Hong Kong interests, this official repeatedly stressed: “Hong Kong people should understand clearly that this has been caused by Chris Patten, who should be held responsible for all the consequences.” He added that the Chinese side did not welcome Chris Patten remaining as Hong Kong governor.

In previous disputes over the new airport, the Chinese side always expressed that political and economic problems should be handled separately, but this Chinese official changed this tune yesterday.

Lu Ping, director of the State Council’s Hong Kong and Macao Affairs Office, said at a news conference that creating another kitchen falls in accordance with Basic Law provisions, which involve the question of constitutional structure and economic issues as well. The Chinese side’s recent remarks have impressed people that it blames Chris Patten for everything. Instead of denying this point yesterday, the Chinese official admitted that this is the Chinese side’s basic tune.

He said: “Gazetting the constitutional reform package was obviously Chris Patten’s decision, whereas the British Government only supports him.”

Another Chinese official who was unwilling to have his identity revealed told our reporter prior to the gazetting of the constitutional reform package that the purpose of the Chinese side in strategically shifting [tui xiang 2236 0686] the responsibility onto Chris Patten for undermining Sino-British relations and affecting Hong Kong’s prosperity is to provide the best chance for the British Government to “extricate itself from the awkward position.”

News from the Land Commission also bluntly admits that the British side has formally proposed a Land Commission meeting in March, but the Chinese side has not responded to this because Chinese officials cannot make themselves sit down and discuss problems with British officials due to worsening Sino-British relations.

On the other hand, a British official yesterday disclosed that Chinese and British representatives to the Joint Liaison Group held two informal contacts on last Thursday and Friday [18, 19 March], during which the British side, as usual, handed some documents to the Chinese side for discussion and examination, including the renewal document for Hong Kong Electric Company’s Scheme of Control Agreement. Up to yesterday, however, the Chinese side had not indicated when a meeting would be held.

As learned, although the Joint Liaison Group will temporarily not hold a meeting, the Chinese side still accepts and reviews documents submitted by the British side.

UK Urged To Withdraw Support of Reforms

HK2203095493 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1603 GMT '1 Mar 93

[“Roundup” by Zhao Wen (6392 2429): “It Is High Time That the British Side Rein In on the Brink of the Precipice”]

[Text] Hong Kong, 21 Mar (ZHONGGUO TONGXUN SHE)—Hong Kong Governor Chris Patten flagrantly gazetted his “three violations” constitutional reform package on 12 March in a legal form, thus aggravating Sino-British relations, upsetting Hong Kong society, causing a stock crash, and casting a shadow over Hong Kong’s sustained stability and prosperity during the transitional period and a smooth power transfer in 1997. Over the last few days, many personalities and social organizations have made remarks and statements strongly urging the British side to rein in on the brink of the precipice and return to the orbit of the “three conformities”

Not long after he assumed office, Chris Patten impatiently offered a constitutional reform package which obviously violates the Sino-British Joint Declaration, the Basic Law, as well as understandings and agreements reached between China and Britain. He is playing the “democracy card” and “international card,” has deliberately violated the arrangements for the handover of power explicitly clarified by the Sino-British Joint Declaration, in an attempt to establish a pro-British government without British personnel, and to prolong disguisedly British colonialist rule in Hong Kong. In the meantime, he has ignored the Memorandum of Understanding on the new airport signed between China and Britain, and as a result the two countries cannot reach a consensus on the financial arrangements for the new airport. In particular, at a time when China and Britain were conducting diplomatic contacts on the resumption of talks and their differences were narrowing, Chris Patten flagrantly gazetted his constitutional reform package, seriously destroying the foundation of Sino-British talks, worsening Sino-British relations, upsetting Hong Kong society, damaging its economy, and creating confusion and obstacles to a smooth power transfer in Hong Kong as well as to its stability and prosperity.

However, Chris Patten, regardless of the truth, pretended to be serious in asserting that the talks could not continue because "the Chinese side did not accept Hong Kong Government officials as official representatives," attempting to shift the responsibility onto the Chinese side, to confuse the public, to create contradictions, and to provoke and instigate Hong Kong people's resentment against the Chinese Government. What a sinister intention he has!

At a press conference in Beijing several days ago Lu Ping, director of the Chinese State Council's Hong Kong and Macao Affairs Office, clarified the entire process of diplomatic contacts between China and Britain for the resumption of their talks, with reason and proof and very convincing. It is very clear who should be held directly responsible for the deterioration of Sino-British relations. During an interview with our reporter, Li Fuk-sin, former chief justice of the Hong Kong Supreme Court, pointed out it does not hold water at all that the British side says John Major would send people to Beijing to discuss the financial arrangements for the new airport, because John Major already signed the Memorandum of Understanding on the new airport with the Chinese Government on behalf of the British side. Why should he send a lower-level representative for the talks?

Lu Ping pointed out: On 12 March, Chris Patten issued a statement at the Legislative Council [Legco] gazetting his constitutional reform package. Thus China and Britain lost the foundation for resuming their talks and the door to the talks was tightly shut. And when gazetting the constitutional reform package, the Legco announced all the contents of Sino-British diplomatic contacts which should have been kept secret. Once again he tightly shut the door to the talks. Therefore, we say this is not shutting just one door but two.

There are reports saying that Chris Patten has once again made a posture of confronting China, and that this is supported by British Prime Minister John Major. He insisted on saying that the policy he is implementing is the policy of the British Government. After attending a luncheon of legislative councilors on 19 March, Chris Patten said that on 23 March the Executive Council would consider when to submit the gazetted constitutional reform package to the Legco for examination. On this, the Chinese side pointed out that should Chris Patten submit the draft of the constitutional reform package to the Legco, this would be a further mistake and he would be going further on the wrong road. "Not only would he tightly shut the door to the talks, but he would also lock it."

Some personalities and public opinion pointed out that the British Government should be held fully responsible for all the consequences arising from the development of events to this present stage. The British side should rein in on the brink of the precipice and seek to improve relations with the Chinese side on the basis of "three conformities."

UK Urged To Act According to Agreements

HK2303062193 Hong Kong *WEN WEI PO* in Chinese
23 Mar 93 p 15

[By WEN WEI PO news team: "Chen Ziyiing Says Hong Kong Political System and Airport Issues Can Only Be Solved by Abiding By the Agreements Reached Between the Two Sides"]

[Text] Beijing, 22 Mar—In answer to a reporter's question today, Chen Ziyiing, vice director of the State Council's Hong Kong and Macao Affairs Office, said it is actually very simple to solve the issues of Hong Kong's political system and the new airport. He added that the Chinese side is only calling on the British side to act according to the agreements reached between the two sides.

Asked by a reporter here today whether it is still necessary to give impetus to the new airport plan, Chen said: It now depends on whether the British side wants to act in accordance with the Memorandum of Understanding on the Airport Issue. As for whether the new airport issue should be dealt with separately from the issue of the political system, Chen did not give a direct answer. He said: "In my view, the Chinese side is not making special demands on either the airport or the political system issues. What we want is to act according to the agreements reached between the two sides. It is very simple."

When asked whether current Sino-British relations have affected the work of the Sino-British Joint Liaison Group, Chen did not give a direct answer either. He said: China hopes that Hong Kong can make a stable transition, the economy can develop, and Hong Kong residents can have a happy life. This is what China wants.

Row Delays International Treaty Talks

HK2303030093 Hong Kong *SOUTH CHINA MORNING POST* in English 23 Mar 93 p 5

[Text] The preparation for the continuation of international treaties in Hong Kong has been delayed by the Sino-British row. Attorney-General Mr Jeremy Mathews admitted yesterday. He said there hadn't been a meeting of the Joint Liaison Group (JLG) sub-group of experts on international rights and obligations since last year.

Stressing the importance of international links to the future of Hong Kong, Mr Mathews said: "An essential element of these links is the network of international agreements in which Hong Kong is included."

"We've achieved a great deal already and work is continuing."

The existing 200 multi-lateral international treaties by Hong Kong could be effective with the approval of Chinese and British governments in JLG meetings. A vital issue, according to Mr Mathews, was that China was not a party to many of these treaties.

More than 100 have been settled so far which would be applicable to the Hong Kong Special Administrative Region after 1997. Among these are the conventions or treaties establishing 27 international organizations such as the General Agreement on Tariff and Trade, International Labour Organization and the International Monetary Fund.

Mr Mathews maintained that there had been good progress with the negotiation of the treaties, but he warned that Hong Kong would suffer from any delay in the discussions. "These agreements are for the benefit of Hong Kong, for the benefit of the Hong Kong people and it would be in nobody's interest if Hong Kong is forced out of the network that these agreements provide," he said.

The agreements include around 180 treaties concerning the areas of air services, extradition, enforcement of civil judgements and investment protection.

Commentary on Patten Jeopardizing Investment Mood

HK2203125093 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1103 GMT 17 Mar 93

[Commentary by reporter Yu Cheng (6735 2052)]

[Text] Hong Kong, 17 March (ZHONGGUO TONGXUN SHE)—Over the past few days, the Hong Kong stock market has time and again plummeted by a large margin, a trend reminiscent of the disastrous one witnessed last October. If Hong Kong Governor Chris Patten continually pushes forward Hong Kong's political development in a direction contrary to the Basic Law in the second half of Hong Kong's transitional period, I believe that will inevitably deal a vicious blow at Hong Kong's stock market and other investment markets as well and will probably give rise to an outflow of funds. Nonetheless, Hong Kong needs stability to remain prosperous.

Since last October when Hong Kong Governor Chris Patten forwarded his political reform package in violation of the Sino-British Joint Declaration, the Basic Law, and a series of understandings and agreements reached between China and Britain through diplomatic channels, there has been tension in Sino-British relations which have since deteriorated. As a result, the Hong Kong stock market, real estate market, and other investment markets have all been adversely affected by their poor turnovers. In particular, the Hong Kong stock market, at a time, suddenly dropped by more than 1,000 points. Several foreign currency funds even transferred their funds out of Hong Kong. These facts have shown how heavy the blow has been. Later on, the British side adopted a relatively cooperative attitude. The investment markets started to think that chances of China and Britain resuming talks on Hong Kong's political system had increased. As a result, the Hong Kong stock market gradually picked up and even scaled an all-time high.

Nonetheless, when the investment markets were shrouded by a growing number of benign expectations,

Chris Patten, all of a sudden announced that he would publish his political reform package in the Hong Kong Government "gazette," thereby landing the Sino-British relations in an impasse. As a result, the Hong Kong stock market once again experienced a sharp drop. From this, we can see that it is the British side that has unilaterally taken a series of actions to undermine Hong Kong's stability and convergence. Those actions have not only jeopardized investment in Hong Kong but also Hong Kong's overall economic growth. The fact that the Hong Kong stock market twice plummeted as a result of Britain's unilateral actions on the political reform issue has shown that the British actions have undermined Hong Kong's prosperity and stability.

During the last few days of transactions, the Hong Kong stock market has continued its downward trend with a large business volume registered each day. This shows that the market investment mood has been jeopardized. Until now, after selling Hong Kong stocks, most foreign currency funds have just deposited large amounts of floating funds in the banking system and have not yet transferred their funds out of Hong Kong. This shows that most of foreign currency funds still adopt a prudent wait-and-see attitude. Thus there has been a sharp increase in the short-term supply of Hong Kong dollar on the local currency market. The interest rates for Hong Kong dollar deposits have also dropped further.

There is no denying the fact the Hong Kong dollar-U.S. dollar exchange rate is higher at present than in the past. However, the exchange rate is still fluctuating between 7.735 and 7.74. This shows that only a limited amount of funds has been transferred out of Hong Kong. Sources in the banking circles say that foreign currency funds have not increased their demand for U.S. dollar by a large margin over the past few days. It seems that they are still waiting for investment opportunities after adopting a prudent wait-and-see attitude.

The fact that the foreign currency funds have not transferred large amounts of funds out of Hong Kong despite Hong Kong's political uncertainties can be attributed, to a large extent, to the positive China factor. The foreign funds that have flown into Hong Kong over the past few years have obviously aimed at China's overall market. In the meantime, China's economy has developed rapidly. Last year, China's gross national product registered a 12.8 percent increase. It is estimated that China's gross national product will continue to grow at an annual rate of 8-9 percent in the years to come. Such a prospect has aroused great interest among foreign investors. Hong Kong enjoys exceptional advantages in this regard as it has had years of successful experiences in helping foreign investment enter the mainland. The mainland state-run enterprises will start issuing shares in Hong Kong in mid-1993. I believe that this is the main reason why most foreign currency funds have kept their money in Hong Kong after selling stocks over the past few days.

Hong Kong's prosperity has always been based on a stable situation. Chris Patten has repeatedly damaged Hong

Kong's stable environment with regard to the question of political reform. What he has done has undermined Hong Kong's prosperity and cannot be glossed over by any sweet words. History will remain the best witness to this.

Article Views Patten Response to Lu Ping Remarks

HK2303035093 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Mar 93 p 5

[From the "Random Talk on Taiwan, Hong Kong, and Macao" column by A Sha (7093 5446): "It Is Useless To Act Shamelessly"]

[Text] At a news conference held for both Chinese and foreign reporters on 19 March, Lu Ping, State Council Hong Kong and Macao Affairs Office director, sternly, sonorously, and forcefully exposed Chris Patten's acts aimed at undermining the basis of Sino-British cooperation. His remarks have attracted the extensive attention of the Chinese and foreign press.

People are inevitably concerned with what response Chris Patten would make to Lu Ping's remarks. A REUTER report filed from Hong Kong quoted Chris Patten as saying: "No matter how ferocious Beijing's attack is, arguments on Hong Kong's future will continue." "Perhaps they can let us know what is wrong ... we can hold talks without any preconditions."

Such an experienced and astute politician has put on a pitiable look as if he really did not know where he was wrong! Who on earth can believe him? The Basic Law has stipulated in no uncertain terms the number of directly elected seats for Hong Kong's legislature. However, such direct election should only proceed in a gradual manner. After all, in the end, all legislators will be directly elected. However, in total disregard of these provisions, Chris Patten has put forth his so called "political reform package," worked out his own electoral methods, and given his package such a fine-sounding title as "democracy development in Hong Kong" in an attempt to disrupt convergence with the Basic Law, sow discord, and undermine Hong Kong's social stability. Former British Prime Minister Edward Heath publicly stated: Chris Patten's political reform proposal has run counter to various agreements reached between China and Britain, but Chris Patten is still pretending as though he "does not know where he is wrong."

At a time when preparatory work for the Sino-British talks had almost been completed, Chris Patten hurriedly had his "political reform package" gazetted. At the very start, Chris Patten put forth his proposal only in his government report. Now that his proposal has been gazetted, things are certainly not the same as some British officials have lightly said: "The Hong Kong governor has only had his proposal gazetted. However, the date of its implementation will depend on how things will develop." The fact is obvious to all: The purpose of Chris Patten having his "political reform package" gazetted is two-fold: To show that he is still obstinately sticking to his position, and to try to set a

tone for the Sino-British talks and bring pressure to bear on the Chinese side. However, Chris Patten, who has told lies without blushing with shame, is, by now, still singing such a tune as "holding talks without preconditions." He has made a fool of people all over the world!

Historical experience tells us that old colonialists are accustomed to resorting to such ugly tricks as simultaneously beating and cheating people. Nevertheless, Chris Patten and his behind-the-scenes masters should now remove scales from their own eyes so as to clearly see what era this is and who they are now facing! Do they really want to be beaten black and blue and lose face altogether before getting to know "what is wrong"?

Beijing Appoints Former Chief Secretary Adviser

HK2303025093 Hong Kong SOUTH CHINA MORNING POST in English 23 Mar 93 pp 1, 6

[By Doreen Cheung and Catherine Chan]

[Text] Outgoing Housing Authority chairman, Sir David Akers-Jones, is to become the first expatriate and the most senior ex-civil servant to be appointed by Beijing as a Hong Kong affairs adviser.

Sir David yesterday declined to comment, saying "it's better to wait until an announcement from China".

China had earlier shown reservations about appointing expatriates to its panel of advisers.

But Sir David's critical attitude towards the Governor, Mr Chris Patten, and the high positions he had held in the administration overshadowed his British background, sources said.

With differences between China and Britain over Hong Kong's future political development still polarised, Beijing is eager to solicit support in Hong Kong to fend off any British offensive in the run-up to the 1997 change-over.

Sir David, who has wide business interests in China and is a frequent traveller to Beijing, will be among 50 Hong Kong residents included in a second batch of appointees.

The preparatory committee of the Liberal Party last night endorsed its convenor Mr Allen Lee Peng-fei's invitation to become a Hong Kong affairs adviser.

The committee also gave the green light to its members Mr Stephen Cheong Kam-chuen, Mr Ngai Shiu-kit and Mr Steven Poon Kwok-lim to become advisers.

A ceremony to present certificates to the new advisers will be held on April 2 in Beijing.

Asked if he would accept if China offered him an adviser post, Sir David said: "If the Chinese offered, I think I would accept it."

"Certainly if I am named, if I can do anything to help the relationship between Hong Kong and China, I shall be happy to do so."

In an interview with the pro-Beijing magazine, MIRROR [CHENG PAO], the director of the local branch of the New China News Agency, Mr Zhou Nan, indicated a recognition of the expatriates' role in ensuring a smooth transition.

He said part of his duty as the local NCNA chief was to unite compatriot Hong Kong residents and "expatriates willing to co-operate with China to faithfully and fully implement the Joint Declaration and ensure a smooth transition".

But Sir David yesterday denied his resignation from the Housing Authority chairmanship had anything to do with the appointment of Hong Kong affairs advisers.

He said the two matters were not connected, and he had not entirely made up his mind yet.

Sir David was strongly recommended by a local delegate to the National People's Congress (NPC), Mr Chan Wing-kee, who urged China to appoint retired civil servants regardless of their nationality.

Sir David was chief secretary between 1985 and 1986, and acting governor for six months following the death of then governor Sir Edward Youde in December 1986.

Both Sir David and Mr Chan are members of the conservative Business and Professionals Federation (BPF).

With the Sino-British row over the political reforms unlikely to end by early next month, the BPF has decided to postpone its Beijing visit on April 5 to the end of the month.

Mr Donald Liao Poon-huai, a former secretary for home affairs and member of the British team of the Sino-British Joint Liaison Group, is the only other retired civil servant on the panel.

Local Support for Li Peng Work Report Noted

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[Text] Hong Kong, March 20 (XINHUA)—The speech delivered by Chinese Premier Li Peng at the opening of the on-going Eighth National People's Congress evoked wide repercussion among people from all walks of life in Hong Kong.

They shared the view that the economic reform on the Chinese mainland is bound to boost Hong Kong's economic growth and prosperity.

Johnny H.W. Law, chairman and chief executive officer of the Tomei International (Holding) Ltd., said he was in favor of China's decision, announced by Premier Li Peng in his work report, to raise the annual economic growth rate from six percent to eight or nine percent during the Eighth Five-Year Plan period (1991-95).

Law deems that China's thriving economic development and reform furnish ample opportunity for Hong Kong manufacturers.

He said his company has opened, in the Pearl River Delta, some dozen of electronic and plastic factories which employed 2.8 million workers and gained a total output value of 3 billion HK dollars (384.6 million U.S. dollars) in 1992.

He anticipated that the output value will reach 3.8 billion HK dollars (487 million U.S. dollars) this year.

Looking into the future, he said, a high-speed economic development on the mainland will accelerate the re-export, finance and service trade in Hong Kong, making it possible for Hong Kong to retain its status as an international financial center and major trading port in the Asia-Pacific region.

Albert Tong Yat-chu, executive director of Construction Industry Training Association, held that China will be able to attain the goal of quadrupling the GNP in the next five years.

"I am confident of China's prospects," he said.

Wu Tit Hsien, chairman of the board of directors of the Yuntong Company Ltd., said he and his relative and friends are eyeing on the mainland market because on the one hand, they can do a bit to China's modernization drive, on the other hand, they will be able to make profit from this big market.

He suggested that China should have a macro control of overseas investors and create a favorable climate for them.

He thought it very important to speed up energy and transportation construction, which has already been included in the government work report.

"The paper mill and chemical works I built in the remote areas in Yunnan Province are lacking power and transport facilities," he added.

Some local professionals paid close attention to China's effort to build the system of socialist market economy.

Lau Pui-king, associate head of the Business Studies Department of the Hong Kong Polytechnic, said a mechanism of competition is taking shape on the mainland since China relaxed its monopoly control and allowed different types of economic entities to take part in the economy.

The most successful aspect was the market for farm and side-line produce. Other markets, such as raw materials, made slow progress for various reasons, she said.

However, there still has a big margin, she added. It is hard for intellectuals and technicians to flow from one unit to another. Financial and stock markets need strict state supervision.

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